

CHAPTER 6

BANKING, FINANCE, TRADE AND COMMERCE

Agriculture and industrial sectors play a key role in formulating or establishing economic conditions and the development of a particular region. Both the organised and unorganised sectors of banking and financial institutions help accelerate the growth of agriculture and industries. Co-operative sector stimulates the growth and development of agricultural and non-agricultural and marketing activities in rural areas. All these activities have greater impact on economic, social and cultural life of the people of the region.

The organised banking sector has been responding positively in accordance with the rapid changes witnessed in the economic, political, social, commercial activities during the Post-Independence era. The banking sector has also made significant contribution in bringing about socio-economic transformation at the grass root level, by adopting and adhering to the changing economic policies, programmes and priorities of the Government. These changing trends are also noticed in this district which is included under the Hyderabad Karnataka region.

BANKING AND FINANCE

Before the commencement of modern banking system and promotion of institutional financing agencies, in the early part of the 20th century, the village money lenders, traders, rich land lords, well-to-do families like Deshpandes, Deshmukhs, Inamdars, Patels and the like were engaged in money lending in their own way. The money lending practice that prevailed both in the rural and urban centres had no legal restrictions. The money-lenders adopted indigenous *modus operandi*. The Co-operative Movement was launched in the Hyderabad Karnataka area as early as in 1917 which was compared to the other areas. The credit requirements of agriculturist in rural areas were mainly

catered to by the village money lenders or sahlukars, until the ushering in of the commercial banking activities in the organised sector in 1940.

According to an estimate, during the post independence period, till 1950, the role of Co-operatives in catering to the requirements of rural credit was much limited, it being as little as 10 percent, available only for big land holders. Money lending was considered a prestigious and profitable occupation cutting across all caste barriers. The Banajigas, the Lingayat Banajigas, local Shettis, the Vysyas, the Marwadis and the Jains (who had come and settled here), the Bhatiyas from Bombay, the Momins (the Moplas) of Kerala, and the Gujarathis were generally engaged in money lending. Money lenders used to lend money after getting land or jewellery pledged. The "Lots System" under which less money was lent to the loanees than the specified amount through bonds was in vogue. The repayment was spread over a long period on easy installments. Artisans and petty businessmen found this to be convenient.

Rural Indebtedness

In order to mitigate the hardship of the poor farmers, the then Hyderabad State Government had appointed the very first official committee as early as in 1937, under the chairmanship of Mr. S.M. Bharucha, an officer of Hyderabad Government. The economic survey undertaken was a sample survey of a few selected villages, comprising *Khatha (patta)* holders of lands which included both debtors and non-debtors. But the majority of the *Khatha* holders were not actual cultivators. This group included mostly money lenders, vakils, government servants, retired officials etc., who were holding ownership of land but remained outside the orbit of debt. According to a survey, out of the total land holdings, 1/3 was owned by non-agricultural families and 2/3 by those who were engaged in actual cultivation which is a clear indication that the majority depended on lands. An important factor revealed by the survey is that, when taken together the families possessing *pattas* and those without *pattas*, the annual debt of such families worked out to Rs. 188, of those families which possessed *pattas*, the debt worked out to Rs. 391. The average debt worked out per acre of land was Rs. 10 whereas the average land revenue per acre was Rs. 1.75. The prominent attributes of the findings of the 1937 survey were that on an average, the liability of debt per acre was six times more than that of land revenue assessed on it. Among all the financial burdens placed on farmers, the burden of interest was the most acute. Another significant factor which emerged was that the money lenders extended loans on interest ranging from seven to 12%, based on the fertility of the land pledged, amount of loan and the promptness of the debtor in repayment of loan. If the land happened to be unfertile and the creditworthiness of the debtor was not sound, the interest charged varied from 24 to 30%. In Gulbarga district (*Subha*) the average rate of interest on loans was 20½ percent.

Among other things, the major reason for rural debt was attributed to small and uneconomical land holdings, fragmentation of holdings due to division of families, frequent death of cattle, famine conditions, non-productive social expenses, unending litigation and exploitation from the village *Sahukars* (money lenders) etc. It is reported that during the last century, the district had faced famines eight times during the years viz., 1804, 1819, 1833, 1854, 1873, 1877, 1897 and 1899. In 1804, sowing could not take place due to the Maratha War and excessive rainfall which further resulted in the destruction of the sprouts. The famines which ensued during the other years were mainly due to

inadequate rainfall. The Government had initiated several drought relief measures in order to provide relief to people. One Mr. Frederic Nicolson has given very illustrative and comprehensive accounts of causes for rural indebtedness thus "in the year of good harvest, the farmers fall in debt to pay fees for *vakils* involving litigations and people of lower classes fall in debt due to drinking habits". On examination of this survey report, the then government had introduced several legal remedies to improve the condition of farmers.

The second comprehensive survey on rural indebtedness on a more scientific and analytical basis was undertaken for the district after a gap of two and a half decades i.e., in 1961. Though there was adequate water flowing in all perennial rivers of the district, the agony of the rural masses was not minimised during the interregnum. The details of 1961 rural indebtedness are given below.

As a part of 1961 Census Operations of India, three villages of the district were selected for detailed socio-economic and cultural study on an experimental basis. Many aspects of this study are found useful for understanding the economic conditions of rural areas as well as several other issues of rural indebtedness etc. Though, this study (survey) is nearly 35 years old, and many economic developments and social changes have taken place during these decades, the study has academic importance to understand the comparative changes that have taken place. The three villages representing the district chosen for the survey included Hadnur of Surapur taluk, Kodiganur of Afzalpur taluk and Mahagaon of Gulbarga taluk.

Hadnur

This village with a population 950 (1961) is situated at a distance of 32 km from the taluk headquarters on Gulbarga-Bijapur State highway. It is under Kembhavi Hobli. The total number of families (households) here being 180, consisted of a majority of 58 Lingayats, followed by the Bedas 31, the Kurubas 26, the Muslims 19 and others. Ninety one per cent of the total families of the village depended on the main occupation of agriculture. Of the total households of the village, 158 (88 per cent) were indebted in one way or other. The total debt of village was reckoned at Rs.1.92 lakhs and the average debt per household was Rs.1,218. The households under high and middle income groups were more indebted. Among the causes of debt, marriage, purchase and/or development of land were the predominant causes. Out of the total households, 144 had incurred debt for livelihood since the income was inadequate. The loan availed for this purpose was reckoned at 30.21 per cent of the total loans of all households, 25 households had availed debt for the purpose of marriage. As found elsewhere, here also, the loans availed for productive purposes were spent for non-productive purposes.

Sources of Debt

Private money lenders (*sahukars*), commission agents and *dalals* were dominant money lenders. It is very conspicuous that these money lending sources catered to nearly 90 per cent of the total credit needs of the rural community. The credit provided by the local co-operatives constituted to just 10 percent of the total loans, the part contributed by the Government was less than one percent (Rs.1,500). As indicated in the report, only the big land holders (more than 10 acres of land) were able to secure loans and land owners with less than three acres were not able to avail any loans from any sources like Government or the co-operatives. The local co-operative credit society started in 1959 had become

defunct by 1961, since it was not in a position to recover the money lent to members. Small farmers and the landless of the village used to get loans on interest between 12 and 18 percent from the merchants of neighbouring village of Malla Bujurg, while the big land holders used to get loans from merchants of Bijapur at 12 percent. The survey revealed that except households with big holdings, it was extremely difficult for others to maintain themselves without borrowings. The basic reason for this was that agriculture had become only a seasonal occupation, not spread over during the entire year. The study further indicates that on many occasions the personal politics in the village had posed hindrance for the allround development of the village.

Kodiganur

Situated in the most backward region of the district, on the banks of the river Bhima, this village is at a distance of 35 km from the taluk headquarter town Afzalpur. In 1961, it had a population of 615. Even as recently as in 1961, the village had no connecting roads to the taluk Headquarters, one had to walk the entire distance. Even the town of Afzalpur was not connected by good roads till 1957. Out of 105 households of the village, 94 (89.53%) depended on agriculture, and of them 77 (73%) were in debt. The total debt of all households together was Rs.47,466 which worked out to Rs.616 per household. The households with lowest monthly income group (i.e., Rs.25 and less per month) numbering 66, had availed an average debt of Rs.238. The survey revealed that the households with higher income group were able to get more credit and there was an increase in the average debt of the family in proportion to the ratio of increase of income of households. The households of highest monthly income group (Rs.100 and more) had availed nearly 50% of the total loans of all households together. The major reason for availing the loans, was for the maintenance of families (62% of the total loans) and for marriage purposes. The survey further revealed that, of the total number of households, only 13 had availed loans for productive purposes. Regarding the sources of debt, it is found that the households with less than 10 acres of holdings were able to secure loans mostly from friends and relatives, while those possessing more than 10 acres were able to secure loans from co-operatives and from NES (National Extension Service Projects).

In 1961, the rate of interest on loans charged by the co-operatives and the State Government were between 6 and 7 percent, while that of private money lenders was between 24 and 36% and sometimes upto 50% in certain other cases. The village had a Primary Agricultural Credit Society founded in 1959. According to the survey, it is found that some of the Lingayat families had a practice of money-lending in the presence of Village *Panchas* (five elderly people) as a proof of evidence and security for the loans. The rate of interest chargeable ranged between 18 and 24%. In case of loans between Rs.500 and 1,000, there was a practice of obtaining bonds from the debtor, while for smaller amounts of more than Rs.200, gold or any other commodity was demanded to be pledged.

Mahagaon

This village is situated at about 28 km from the Gulbarga city with a population of 4,200 (1961). Compared to the other two villages chosen for the survey, it was a bigger village with better amenities. In addition to being situated nearer to the district headquarters, the village had the influence of urbanization and industrialization. To a certain extent, it had developed as a commercial centre with good network of transportation and communication facilities, from all parts of the district. In

addition to these infrastructures for development, it had a good political leadership to facilitate developmental activities. The five co-operative institutions that were located here functioned well. Another special feature of this village was that it was the headquarters of sub-taluka from 1870-1905. The population of the village comprised members belonging to all religious groups like Hindus, the Muslims and the Christians and others. The total number of households of the village was 790, and of them the Veerashaivas were in largest number i.e. 254. Though agriculture was the main occupation of the village, trading and commercial activities were increasing gradually. The weekly *shandy* (market) (*Santhe*) held here every Monday was prominent. The village had nearly 60 retail grocery (*kirani*) shops doing business.

As in the case of other villages, here also, the economic survey revealed that there was an increase in the number of households that had availed loans and also the volume of loans in proportion to the increase in the income groups. Out of 790 households, 346 (42.5%) were in debt. The average debt per household was Rs.611. In case of families with highest income group (Rs.100 and above per month) the average debt reckoned was Rs.816 while that of households in the lowest income group was accounted to Rs.60 only. Among the various causes of debt, to be cited, the expenses of marriage, repayment of old debts and the maintenance of households were prominent.

Regarding the main sources of credit, the survey revealed that the private money lenders had a major role to play. Of the total debt availed i.e. Rs.2.11 lakh, the share of private money lenders was Rs.1.86 lakh. The lending rates charged by the co-operatives and the State Government ranged between 6 and 8%, while that of private money lender's was up to 24%. Among the main sources of income for the villagers, self cultivation of lands, leased income from lands, agricultural labour, household occupations and other sources were prominent. The cloth merchants of Mahagaon who were lending money charged an interest of 24%. In order to cater to the credit needs of the local members, a *Shahari* Bank (Town Bank - Anjuman Imdad Bahmani) was founded here as early as in 1932.

During the Hyderabad Liberation Movement (1945-48) this village was prone to repeated attacks and as a result of which public suffered much. Once it was attacked by the Razakars on a *Shandy* day (market day) by the cannon fires. But now-a-days, there is a communal harmony found among the Hindus and the Muslims who are co-operating with each other for the development of the village as attested by the survey.

The above economic survey of three selected villages of the district indicated that only the households with bigger land holdings were able to secure loans. Private money lenders dominated rural economy and played important role. There was a conspicuous scarcity of financial institutions and the assistance of state government to extend rural credit to the poor farmers on easy terms and conditions by adopting simple procedures was acutely felt. But, now the situation has changed. Establishment and strengthening of Primary Agricultural Credit Societies and other lending institutions, opening of Rural Banks, launching of schemes of integrated rural development etc., have helped the development of rural areas. As per the recent statistics, during 1995-96, the total number of families with land holdings in the district was 4.24 lakh of whom majority (1.95 lakh) were small and marginal holders (owning less than two hectares). The number of big land holders (owning more than 10 hectares) was only 21,071.

Lending of Foodgrains

Jowar : In addition to money lending practices, there was a practice of lending and borrowing grains (which is prevalent even now in rural areas) in Hadnur and Kodiganur as revealed by the survey. In Hadnur, there was a practice of collecting 150 *seer* of jowar for 100 *seer* lent (50 *seer* extra towards interest). During drought and famine conditions it used to go up to 75% extra. It was a common practice in Kodiganur among the poor farmers to get jowar on loan basis. There was a practice of collecting during the harvest 32 *seer* of extra jowar on 64 *seer* loaned, which ensued after 9 months. During distress situations like drought and on special occasions, the lender used to collect even up to 48 *seer* extra (75% excess) in the form of interest in kind. This was known as '*Vatadajola*' locally. The common practice of barter system of jowar prevailed between grocery shops and hawkers, to an extent of 75 percent. When the practice of lending of grains went to the level of severe exploitation of poor farmers, the Nizam government thought of the establishment of Grain Banks in large numbers during 1940s in the co-operative sector as a measure of relief to the poor agriculturists.

Regulation of Private Money Lending (prior to 1956)

From time immemorial, private money lenders have been playing a very important role in the rural economy. But, there were no regulations as we find today. Any person with surplus funds used to engage himself in money-lending without any restriction of caste or community. Old records attest that money lenders were scattered all over the district, on an approximate average of 10 customers for each money-lender. The system of money lending here was so well-organised on a wider scale that selected villages had been shared among the money lenders for lending of money as well as food grains. This economic phenomenon indicates the profitability of the profession and control of the rich over the poor. Private money lenders were employing both the systems or methods known as '*Lavani*' and '*Lagwad*' in lending practices.

Under the *Lavani* system also known as '*satta*' (gambling), money lenders used to lend money to the farmers before the sowing operations on such terms and conditions that a loanee (debtor) farmer should sell his produce to the money lenders alone during ensuing harvest, at a price 15 to 40% less than prevailing in the market. Under the *Lagwad* method, the modus operandi was such that the money lenders used to lend money as a crop loan to farmers to remove the weed etc. of the standing crop for a period of some weeks or months. The loan carried two per cent simple interest per month and compound interest for default.

Debt Relief Measures (Prior to 1956)

With the objective of emancipating the poor farmers from the fast deteriorating economic conditions and also the loans which were continuing from generation to generation, the then Government of Hyderabad had initiated several ameliorative measures. The prominent among them were, granting of *Takavi* loans on 6 to 6.5 per cent interest for streamlining agricultural activities. During the drought of 1919, the rate of interest on this loan was reduced considerably. In addition to that, farmers used to get loans for purchase of seeds and agricultural implements from the Department of Agriculture. This loan carried no interest in the first year and on subsequent years 6% interest was charged. Having been conscious of the exploitation of farmers by rich landlords which often resulted in the farmers alienating their lands unable to bear the economic degradation over generations, and to

prevent these conditions of hardship, the government passed a legislation prohibiting alienation of the lands in 1936. According to one source "In Hyderabad area, the agony of farmers was beyond description, they lead a life of acute misery subjected to unjust and often atrocious credit system". By the introduction of 'Masalath Boards', the lands mortgaged were returned to farmers. The Debt conciliation Act of 1938 empowered the Government to establish Conciliation Boards in order to reduce the interest burden of cultivators.

The Boards were authorised to declare all outstanding loans of farmers as having been paid off in case the money lender refused to submit the detailed statement of debts to the Board within the specified time. But that clause was ineffective in the case of those money-lenders who had already usurped the mortgage land. In such cases, the Board had no power to get round the recalcitrant money-lenders. According to an amendment to the Act, the first Talukdars were authorised to take over such lands and arrange for their temporary cultivation. In 1938 the district of Gulbarga had one such Board which was functioning satisfactorily till the end of 1941.

Regulation of Money Lending

For the first time, in 1938, the Government of Hyderabad had introduced a regulation in order to check the various avaricious practices of the money-lenders in the state. The Act contemplated the compulsory registration and licensing, and fixed the rate of interest for secured debt at 9 percent, and for unsecured debt at 12 percent. The compound interest was prohibited. The act also brought a certain measure of transparency in recording and maintaining transactions.

During the post independence decades, specially after 1956, the state government has taken up several measures to facilitate the development of agriculture by providing several improvement measures to poor agriculturist. During 1964-65 the government provided loans for various developmental activities like - a loan of four lakh as *Takavi*, Rs. 6.25 lakh for sinking of wells and Rs.77,000 as subsidy.

After Independence, and after the formation of linguistic states, both the Central and State Governments have undertaken several legal measures and constructive schemes in order to improve the economic conditions of poor agriculturists. Some of them are explained in the subsequent pages.

Legislation Abolishing the Practice of Bonded Labour

Though, for the first time, the British Government made an attempt to abolish the slavery system as early as in 1843, it continued to exist in different forms. Bonded labour is one of them. The people who are engaged in bonded labour mostly belong to socially and economically backward group. In 1976, the Government of India enacted a legislation banning the practice of bonded labour. People engaged in bonded labour were set free and the loan including the interest on it was annulled. In order to rehabilitate the freed bonded labourers the Central and State Governments have started several relief measures. The Central Government meets half of the expenditure made by the State Government under this scheme since 1979-80. The work of identification and extending relief to bonded labourers is entrusted to concerned Village Panchayats and Zilla Panchayats.

Karnataka Debt Relief Act, 1976

Karnataka is perhaps the first state in the country to introduce this material relief measures to the poor small farmers, landless agricultural labourers and other economically weaker sections to make them free from the bondage of debt. This relief measure was in force up to the end of 1981. During the period when the legislation was in vogue, several poor people got relief and were made debt free.

Money Lending Activities after 1956

After the reorganisation of the State, the unified and more comprehensive Money-lenders Act was made applicable to the entire state including Gulbarga district. Accordingly, Karnataka Money-Lenders Act 1961, and Karnataka Pawn Brokers Act 1961 were brought into force from 1961. Till then, the old Hyderabad Act of 1938 was made applicable. In order to ensure proper vigilance and control over money lending activities, a number of amendments have been brought into the main Act. In 1961, when the new Act was introduced there were 69 money-lenders in the district. As per the existing Act, the prevailing rates of interest are 21% on secured and 23% on unsecured loans (w.e.f. 27.2.1992). The Deputy Registrar of Co-operative Societies at the district level, and Assistant Registrar of Co-operative Societies at the sub-divisional level, administer the Act including the Chit Funds Act 1982 (Central Act) and Chit Fund Rules 1983. In addition to licenced money lenders there are others who do money-lending without any licence. They include rich people, traders and merchants, big land holders, etc. who indulge in money-lending business in a limited circle secretly. The interest chargeable by these unlicenced lenders generally ranges between two and five percent per month and interest is deducted in advance. Mutual trust and confidence is the only security for this unlicenced money-lending. In addition to this, workers of organised sector, petty traders, professionals also carry on 'chit' business on a large scale. But, there is no legal protection for this type of money lending.

The number of money-lenders in the district has increased considerably in recent years. Most of these money-lenders have migrated to this district long ago. There is a concentration of money-lenders in the prominent commercial centres like Gulbarga, Sedam, Chitapur, Yadgiri, Aland, Jevargi, Surapur, Shahapur, Wadi, Chincholi, Afzalpur and other places. During 1996-97, the district had seven licenced money-lenders and they had lent Rs.4.30 lakh and the security deposit collected from them was Rs.35,000. In the same year, there were 46 licenced Pawn-Brokers in the district. They had lent Rs.23.40 lakh and security deposit remitted by them was Rs.2.30 lakh.

Finance Corporations

Unorganised sector of money market consisted of private money-lenders, pawn brokers in addition to non-banking financial institutions like *nidhis*, Chit funds and Finance Corporations. These are concentrated in commercial centres and are carrying on with non-banking functions. The companies that originated from the neighbouring States as well as districts have opened their branches in the district. These non-banking financial institutions generally advance loans to local merchants, industries to purchase machineries, vehicles on hire purchase and hypothication loans etc. Their lending for agricultural purpose is limited. Many big financial corporations undertake parallel banking activities. They also mobilise huge deposits from the middle income group by means of attractive

schemes like lottery and also pay a little higher 'interest on deposits'. Many a time, the unrestricted business of these institutions results in cheating or exploiting the general public.

These institutions are incorporated under the provisions of Indian Partnership Act 1932 or the Indian Companies Act, 1956. Many a time, the members of the same family run the business under partnership. The Deputy Registrar of Co-operative Societies at the district level will exercise control over the *modus operandi* of these institutions under the provisions of Karnataka Money-Lenders Act, 1961. In the year 1996-97, the district had 295 licenced finance corporations and 12 chit funds. The *Chit* funds had a turnover business of Rs.11 lakh. The Security deposit and licence fee collected by *Chit* funds was Rs.11 lakh and Rs.1,890 respectively. (Source : Deputy Registrar of Co-operative Societies, Gulbarga).

COMMERCIAL BANKS

Commercial banks do play a significant role in the economic development of a region and also in bringing socio-economic transformation. Prior to a century or two of the commencement of modern organised sector of banking, private money-lenders or sahuikars were lending not only to the general public but also to the Government when they were in difficulties, and in return Government used to assign the right for collection of land revenue of certain villages to the merchants. This practice continued even during the Nizam's rule. The inscriptions of medieval period in Karnataka attest to the fact that the guilds of merchants and artisans (*kottali, nigama* etc.) and the *Mutts*, the temples were also doing some sort of money lending. Interest on temple deposits were made use of for certain temple services and religious ceremonies. Temples were also the centres of economic activities in addition to being the centres of religious and cultural activities.

Karnataka has a fascinating banking history of nearly 130 years since 1863. The banking history of Gulbarga district can be traced back to 1920's. The first bank to be found in the banking map of the district was the Saraswati Bank Ltd. founded on 9.5.1922 with its Head Office at Gulbarga. The paidup share capital of the bank in 1930 was Rs.4,10,775 (Halisikka coins of the Nizam Government). Earlier to Saraswathi bank, the District Central Co-operative Bank for Gulbarga was founded in 1917. The Saraswati bank was closed down due to loss on 19.12.1958. The bank had three branches in the district in addition to a branch at Hyderabad. Eight years thereafter, i.e. on 6.11.1930, Gulbarga Banking Co. was registered with a share capital of Rs.96,291 (Halisikka coins). This bank had a branch at Gulbarga and was liquidated in 1955.

In the meanwhile, the then public sector bank, viz., the Imperial Bank of India (1921) seemed to have opened a branch in Gulbarga city by the end of 1938 as per the records. In the annals of banking history of the district, the role played by Yadgir town is to be noted. It appears that three banking Companies were originated from this place Viz., Yadgir Bank (April 1938) with a capital of Rs.17,560 (Halisikka), Commercial Banking Co. (1942) with a capital of Rs. 55,280 (Halisikka) and Mahaboobiya Kathrichar Co. with a small capital of Rs.16,116 (Halisikka). The historic town of Surpur also had a bank known as the Shri Venkatesh Bank by about 1940. None of these banks exists to-day. The prominent banking institutions which provided strong edifice for the industry during the decade 1940-50 were the Hyderabad State Bank and Central Bank of India (Bombay).

The Hyderabad State Bank was incorporated in 1940 in accordance with the provisions of subrule XIX of Hyderabad State Bank Act, 1940, and later in 1956 it was renamed as The State Bank of Hyderabad. Inter-alia, the chief objectives of the bank were to maintain stability in value of the legal tender of the Hyderabad Nizams, i.e., Halisikka in relation to British Currency, maintenance of Government treasury and transfer of surplus money from place to place. The first branch of this bank was opened in Gulbarga on the 26th November 1944, followed by a second branch at Shahabad in November 1945. The Central Bank of India (1911) that originated from Bombay, opened a branch in Yadgiri, a commercial town of the district in 1939. It was the first Bombay based bank to start commercial banking activities in the district. The second branch of the same bank was opened at Gulbarga in 1950. After the re-organisation of the State, there was a changing trend in the spread of banking activities which contributed much for providing banking services on a large scale. While the banking companies originated from Dakshina Kannada district of Karnataka, extended their activities to the far off places in the North, the banking companies of North India came down to south in order to cater to the banking needs. Syndicate bank opened its branch in the district during November 1956, followed by Canara Bank in August 1957. The Punjab National Bank (1895) being one of the oldest banking companies of India, entered into banking services of the district in 1960 by opening its branch in Gulbarga. In 1965, towns like Gulbarga, Yadgiri, Aland, Shahabad, Shahapur and Sedam had commercial bank branches. Including the pay office at Yadgiri, the district had 12 branches, and of them six were located in the district head quarters town of Gulbarga, two in Yadgiri, and one each at Aland, Shahabad, Shahapur and Sedam. Of these 12 branches, State Bank of Hyderabad had seven branches while the Central Bank had two, and Canara, Syndicate, Punjab National banks had setup one branch each.

After independence, since the launching of economic development plans in 1951 which are being continued even now, and other development projects like the National Extension Services, changed industrial policy of the Government, encouragement for trade and commerce, growing urbanisation, increasing commercialisation of agriculture, development of markets etc, have contributed much for the growing demand for banking services in urban and semi urban centres. As a result of this, there is a gradual increase in the number of branches in the district. Many banks originated outside Karnataka have entered the district to cater to the banking needs. Prior to the Nationalisation of commercial banks in 1969, banking activities were confined to selected commercial and industrial centres, rural areas had no banking activities. The local urban banks (*shahari*) banks were catering to the non-agricultural credit needs of its members in urban and semi urban areas. The credit needs of the rural areas were met by the co-operatives and private-money lenders. The Nationalisation of 14 major commercial banks for the first time on 19th July 1969, was an important land mark in the annals of banking history of India. It was a bold step to bring private financial institutions under the public sector. By this, the Government was empowered to make use of these financial institutions to supplement the economic development activities, and also to provide social and economic justice for those groups of people and of weaker section who were neglected and were deprived of banking services. Priority sector advances were extended to stimulate economic activities of the neglected social group. Nationalisation enabled the unorganised sector to join the main stream of development. The concept of "Class Banking" was turned into "Mass Banking", by the extensive banking services and changed modus operandi. It was made mandatory for banks to provide credit facilities at the

grass root level in order to bring socio-economic transformation in rural areas by means of launching several easy and liberal credit policies. Banks were assigned with the credit targets for achievements. As a result of this, in many cases, the liberal credit policy of the Government was totally misused.

Before the Nationalisation, in 1960 there were nine banks in the district, and by 1966 it increased to 14. The post-Nationalisation decades evidenced many innovative changes and commitments in the operation of banking services. As a result of this, the schemes like Lead Bank (1969), Priority Sector Advances, DIR Loans, Establishment of Rural Banks (RRBs) 1976, Social banking, *Antyodaya*, IRDP, adoption of villages for all round development, taking over of co-operative institutions etc. were adopted. The second Nationalisation in April 1980, made way for rapid expansion of network of branches in the district. The decade followed by the establishment of the Krishna Grameena Bank stimulated the banking services in rural areas in a large measure. It also paved the way for mobilisation of rural deposits by inculcating saving habits among the villagers. A record number of 75 branches was established by the Krishna Grameena Bank by 1996.

The Grameena Banks have helped step up the development of agriculture and other economic activities in rural areas by opening their branches in rural and semi-urban centres, by providing loans and advances for agriculture, agro-based industries, priority sector loans for self-employment, rural transportation etc. In 1969, the district had 19 branches of commercial banks and of them eight were situated in urban centres, nine in semi-urban and two in rural centres. These 19 branches together had mobilised deposits of Rs.4 crore and had deployed credit of Rs.two crore. By 1973 June, the number of commercial bank branches increased to 31 and of them 10 were in Gulbarga taluk, 3 in Yadgir taluk, two each in Shahapur and Aland taluks and the remaining 14 were situated in other places. The deposits and advances accounted to Rs.7.04 and Rs.3.75 crores respectively. By 1980, the number of branches including the branches of Regional Rural Bank increased to 107, while the deposits and advances stood at Rs.34 crore and 19 crore respectively. By 1993-94, the district had 170 branches, and deposits mobilised and advances made by them were reckoned at Rs.360 crore and Rs.217 crore respectively. By the end of March 1993, the district had in all 169 branches, comprising 94 commercial bank branches and 75 Regional Rural Banks. Their total deposits accounted to Rs.284.49 crore and of this the share of commercial banks was Rs.260.74 crore and the rest (23.75 crore) was contributed by Rural Banks. The total advances stood at Rs.177.06 crore comprising Rs.158.02 crore of commercial banks and Rs.19.04 crore being the amount lent by Krishna Grameena Bank. Of the total loans of Rs.177.06 crore, the advances made to priority sector and Integrated Rural Development Programme (IRDP) accounted to Rs.124.45 crore and Rs.17.65 crore respectively, while the loans granted under DIR and for SC/ST accounted to Rs.1.65 and Rs.16.57 crores respectively as reported.

In 1972, in the district, the population served per branch office was 26,000 which reduced to 13,000 per branch by 1990 which was more than State average. However, compared to Gulbarga the other neighbouring districts like Raichur (11,000), Bidar (12,000), Bellary (9,000), Bijapur (10,000) had better banking facilities. The Credit Deposit ratio in the district in 1990 was 66 percent, while in other districts of Hyderabad Karnatak, it was 71% in Bidar, 83% in Raichur and 100% in Bellary respectively.

In 1996, the district had 169 branches of which 108 were rural branches (less than 10,000 population), 35 urban branches (population from 10,000 to one lakh) and 26 were semi urban branches. In 1996, there were 23 banking companies operating in the district and of them 12 were commercial banks, one Regional Rural Bank, and one District Central Co-operative Bank. Of the 169 branches, State Bank India group owned 50, other commercial banks 44, and Regional Rural Bank 75 branches.

The table No.6.1 indicates the general banking progress of the district

Table 6.1 : General Banking Progress of the District

Year	No. of Branches	Deposits	Advances	Priority Sector Advances	(Amount in 000s)		
					DIR Loans	IRDP Loans	SC/ST Loans
Dec 85	152	9,07,934	7,01,049	5,52,111	18,509	72,300	54,547
Dec 87	152	12,66,435	10,80,816	8,03,393	20,623	1,13,876	67,484
Dec 89	161	18,34,708	15,59,138	11,41,425	1,36,322	23,710	1,17,005
Mar 91	166	21,62,509	14,91,223	10,86,942	1,33,177	14,789	1,24,823
Mar 93	169	28,64,886	17,70,567	12,44,508	1,76,514	16,466	1,65,744
Mar 95	169	48,90,562	26,42,005	19,17,531	1,45,943	11,587	1,57,718

(Source : Lead Bank (SBI) , Gulbarga)

Lead Bank And Credit Plan

As per the recommendations of the Reserve Bank India, this scheme was introduced by the end of 1969. This mainly aims at consolidation and localisation of banking services so as to supplement developmental activities with an area approach i.e., district as a unit. The scheme ensures bridging the credit gaps among the various sectors of development through the active participation of Banking and other financial institutions functioning in the district. To make this scheme more effective, selected villages are allotted to Bank branches to ensure all round development known as "Area approach" (*seva kshetra*) introduced since 1989. Branchwise credit plans and action plans are prepared for implementation under the supervision of the Lead Bank.

From the inception of the scheme, State Bank India is functioning as the lead bank for Gulbarga and Bidar districts. The Krishna Gramena Bank was sponsored by SBI in 1978 covering the districts of Gulbarga and Bidar.

The table 6.3 indicates the allocation of funds for the various development activities in the district for the years 1992-93, 1993-94 and 1994-95 (up to December end) as per the credit plan.

Table 6.2 : Progress of Commercial Banks in the District as on 31st March 1996

Sl. No.	Name of the Bank	Number of branches	Deposits	Advances	Credit Deposit Ratio	Priority sector advances	Other Advances			(Amount in 000s)
							IRDP	DIR	SC/ST	
1	Andhra Bank	1	47,214	22,256	47	18,741	690	172	2,831	
2	Bank of Baroda	1	80,639	32,135	40	18,624	518	68	1,470	
3	Bank of India	1	44,385	28,710	65	11,982	804	40	1,398	
4	Bank of Maharashtra	3	57,714	33,511	58	26,966	2,796	107	4,532	
5	Canara Bank	9	5,21,858	7,80,872	150	2,76,506	12,742	1,549	54,691	
6	Catholic Syrian Bank	1	15,227	10,721	70	3,760	16	-	76	
7	Central Bank of India	1	32,693	19,168	58	10,648	965	25	2,420	
8	Corporation Bank	1	55,804	26,430	47	19,083	497	45	1,152	
9	Indian Bank	1	1,03,104	19,162	18	11,420	294	33	1,125	
10	Karnataka Bank	3	11,65,130	47,981	41	21,845	1,357	40	493	
11	Punjab National Bank	3	40,593	38,568	95	26,253	2,610	230	3,031	
12	State Bank of Hyderabad	32	22,02,200	9,86,800	45	6,32,300	32,200	5,010	44,375	
13	State Bank of India	17	5,62,893	5,54,311	98	3,46,761	26,216	990	35,816	
14	State Bank of Mysore	1	99,406	15,620	16	8,793	531	13	613	
15	Syndicate Bank	7	4,63,524	1,65,385	36	81,006	7,127	430	10,770	
16	Tamilnadu Merchantile Bank	1	76,409	12,827	17	6,398	-	16	5	
17	UCO Bank	1	15,220	10,621	70	7,009	838	45	1,769	
18	Union Bank of India	1	35,518	8,156	23	4,695	-	75	402	
19	Vsyaya Bank	4	3,84,533	1,01,224	26	50,190	2,526	340	680	
20	Vijaya Bank	4	67,310	49,103	73	41,331	4,211	67	4,278	
21	Indian Overseas Bank	1	21,532	19,203	89	14,622	148	16	663	
22	Krishna Gramena Bank	75	7,00,642	4,70,458	67	4,19,061	68,041	121	41,312	

Source: Lead Bank (S.B.I), Gulbarga

Table 6.3 : Allocation of Funds

Sectors	Targets			Achievements		
	92-93	93-94	94-95	92-93	93-94	94-95
Agriculture and allied activities	39.03	42.62	43.84	24.45	24.97	27.28
Small Industries and rural artisans	12.22	12.56	9.17	4.81	12.39	6.10
Trade and other services	7.79	8.92	8.54	3.49	4.64	6.28
Achievement (percentage)	-	-	-	55	76	64

Details of Annual Credit Plan for 1995-96

Table 6.4 : Annual Credit Plan for 1995-96

Activities	No. of Accounts	(Rs. in 000s)
		Volume of Loans
1. Crop Loan	23,993	2,84,960
2. Minor Irrigation	4,160	92,287
3. Land Development	1,301	16,067
4. Mechanised Farming	453	80,723
5. Development of Horticulture	792	15,112
6. Welfare Schemes	3,212	26,683
7. Rearing of sheep, goat and pig	2,635	17,645
8. Poultry	24	1,875
9. Pisciculture	178	1,247
10. Others (to supplement agriculture)	2,972	20,323
a. Total Agricultural loans	39,720	5,56,922
b. Small Scale Industries	4,680	1,26,795
c. Trade and Other services	9,082	1,81,578
d. Total Priority Sector Advances	53,482	8,65,295
Non Priority Sector Loans	5,607	86,218

With a view to provide financial assistance to various developmental schemes in the district, the Lead Bank had planned for credit of Rs.95.15 Crore for the year 1995-96. The Lead Bank report further indicates that for the years 1993-94 and 1994-95 the entire lending targets fixed could not be achieved fully because of the foregoing reasons 1) Inadequate Monsoons, 2) Mounting arrears of loans-more stress was given for the recovery of old loans than granting of new loans (3) Wrong methods or procedures employed in the identification of beneficiaries, the loan was misused, hence the banks had to suspend the liberal credit policy employed earlier as reported in the Lead Bank Report. In June 1994, the recovery percentage in respect of agricultural loans was 34 per cent, which was only 12 per cent in respect of small scale industries and in respect of trade and other services it accounted to 35 per cent. In the previous year i.e., 1993, the percentage of recovery was 33, 13 and 30 respectively. Since the Upper Krishna Project (UKP), a major irrigation project of the state, covering this district is likely to be completed shortly, it is expected that there will be a greater demand of credit for land development and agriculture from the farming community specially from the taluks like Shahapur, Surapur and Yadgiri.

Grameena Bank (RRB)

In accordance with the provisions of the Regional Rural Banks Act 1976, a new breed of development oriented banks were started all over the country in 1975-76 on an experimental basis. Government of India, the sponsoring bank and the State Government have financial participation in the capital of the bank. The chief objectives of these financial institutions are to provide credit facilities in the rural areas on priority basis and to facilitate economic development.

The Krishna Grameena Bank named after the river 'the Krishna' being the 'life' of the region was incorporated on first December 1978. The Head Office of the bank is located in Gulbarga. It is promoted by the State Bank of India. The area of operation, earlier limited to Gulbarga district, later extended to Bidar district also. The establishment of Regional Rural Banks has helped in mobilising rural deposits, extending banking services in rural areas in addition to reducing regional economic imbalances and the like. The number of branches of Krishna Bank have increased considerably during 1980-90s. The important credit plans of the bank include development of irrigation, agriculture, horticulture, dairy development, mechanisation of agriculture, protection of environment, developing alternative source of fuel for rural areas, rural industries, removal of rural unemployment, Integrated Rural Development Programme, agricultural extension services etc. The first branch of the bank was opened at B.Revoor of Afzalpur taluk on the 7th March 1979, followed by Mudhol, Sedam taluk (April 1979) and Andhol and Nelogi villages of Jevargi Taluk (May 1979). By the end of March 1995 it had opened 75 branches in the district and was providing financial assistance covering 631 villages.

The progress of the bank since inception upto the end of March 1996 is given in table 6.5

Table 6.5 : Progress of the Bank since Inception

(Amount in Lakhs)

Year	No. of Branches in Gulbarga district	Deposits	Advances	CD Ratio
Dec 1980	32	67.83	145.35	-
Dec 1985	70	449.43	961.92	214
Dec 1987	70	656.67	1336.88	203
Mar 1990	73	1441.41	2073.17	144
Mar 1992	75	1992.15	1619.09	81
Mar 1994	75	3920.46	2152.97	55
Mar 1995	75	5681.23	3062.72	54
Mar 1996	75	7006.42	4704.58	67

Source: Lead Bank Report, Gulbarga

INSURANCE

Life Insurance

Before the nationalisation of Life Insurance business in 1956, the Insurance business of Hyderabad areas was managed by the Hyderabad State sponsored Insurance Company founded by the State Government in 1913. In addition to Government Company there were about 20 non-government organisations engaged in the insurance business. Among the private companies those registered in North Karnataka (Dharwad district) i.e., United Karnataka Insurance Company (1929) and Swaraj Banking and Insurance Company (1933) were the prominent ones. Life Insurance Corporation opened its first sub-office in the district at Gulbarga under Hyderabad division in February 1958. By 1966, the sub-office was upgraded as branch office covering Gulbarga and Bidar districts. In 1965, the district had 244 active agents and 14 development officers. In 1970, when the Dharwad Division was newly formed, Gulbarga was transferred under its jurisdiction. Subsequently when the Raichur Division was formed in 1986, it was transferred to Raichur. During the years 1962, 1963 and 1964 the insurance business covering Gulbarga and Bidar districts handled by the Gulbarga branch accounted to Rs.71.42, Rs.97.21 and Rs.90.85 lakhs respectively. Life Insurance Corporation has five branches in the district i.e., three in Gulbarga City and one each at Yadgir and Shahpur. By the end of March 1996, the district had 37 development officers and 1,271 insurance agents. During the same year (1996), there were 29,643 life policies in currency covering the total assured sum of Rs.136 crore. During 1993-94 and 1991-92, the number of policies in force were 27,599 and 19,035 respectively covering an assured sum of Rs.107.09 and 63.39 crores respectively.

Karnataka Government Insurance Department(K.G.I.D)

The Government servants of Karnataka State and motor vehicles of State Government and vehicles purchased out of the State government loan are covered under the purview of K.G.I.D. The department also administers the Family Benefit Fund Scheme (since 1977) covering the employees of municipalities and local boards (Zilla Panchayats) and aided educational institutions as a social security scheme of the State Government. It also covers the insurance business of Ex-Hyderabad State employees who opted to Karnataka State (in 1956) services. The department was decentralised in 1976 and as a result the District Insurance Office Gulbarga came to be established in July 1976. Since 1981, the Divisional Office is also functioning at Gulbarga. During 1994-95, the number of employees covered under KGID was 29,140 and vehicles covered were 1,038. The total number of life policies in force was 53,450. The annual premium income and sum assured accounted to Rs.288.38 lakh and Rs.904.80 lakh respectively. During the last four years the corresponding figures were as follows: 1990-91: Rs.210.88 lakh and Rs.270.11 lakh, 1991-92: Rs.231.79 lakh and Rs.893.69 lakh, 1992-93: Rs.252.09 lakh and Rs.493.15 lakh, 1993-94: Rs.277.29 lakh and Rs.532.85 lakh.

COINAGE AND CURRENCY

There are several factors which contribute for the promotion and development of 'Free Trade'. Among them, the standard coins and currency system and their unrestricted circulation play an important role. In the course of history, with the rise and fall of the ruling dynasties of the region, the system of coinage and currency have undergone many changes in their size, design and contents etc. By about 1940, in a place called Hebbal of Gulbarga taluk 225 punch marked silver coins said to be of Mauryan period were unearthed. Recently (1996), 10 lead coins of the Shatavahana period found in the district have thrown new light on early history of the district. They belong to the famous Shatavahana ruler Gouthamiputra Satakarni (106-130 A.D.) These coins were discovered at Harangeri of Shahapur taluk. The obverse of these coins contain a mark of Ujjaini (perhaps place of mint) and on the reverse the name of the Shatakarni in Brahmi script. Including Sannati a pre-historic site in Gulbarga region, several pre-historic antiquities of the Shatavahana period are reported to have been discovered from other places in the district which indicates the probabilities of finding more coins of the Shatavahana rulers.

The *Varaha* or *Gadyana*, a gold coin which was used as a standard coin for many centuries was first introduced by the Chalukyas of Badami according to the Aihole-Pattadkal inscription of Vikramaditya. The Varaha was the royal emblem of the Chalukyas. It appears that the name Varaha was a common name, for a 'standard gold coin' which was in use beginning with the Chalukyas of Badami upto the end of Keladi rulers in the 17th century known as Ikkeri *Varaha* including the Vijayanagar period. It appears that it had all features of a standard coin. The place of minting of coins was known as *Kammata*, *Achchina Tankasaale*. During the Hoysala period gold coins were called Gadyana. During the Vijayanagar period standard coins of gold and copper of different denominations were in circulation. The *Varaha* or *Gadyana* (52 grains) were also called as *Pagoda* or *Ponnu*.

During the Bahmani rule, the practice of collecting land revenue in terms money was introduced in place of barter exchange. This practice made way for introduction of metallic money of different denominations on a large scale. The Bahmanis had their mints at Gulbarga, Bidar and Fathehabad. This period was considered as a period of transition for advancement of money economy from that of Barter System which facilitated the promotion of trade and commerce. The coins in the media of gold, silver and copper were introduced by them. But gold coins were rare in circulation. Copper coins were in large circulation which were mostly used in the village *shandies*. Among the 18 rulers of the Bahmani dynasty, nine had introduced gold coins. The majority of coins introduced by the Bahmani Sultans resembled the coins *tankas* (170 grains) of Delhi Sulthans and *Dinar* (gold coins) of 197 grains. The Bahmani Sulthans of earlier period followed the coinage system of Delhi Sulthanate. The coins (silver and copper) struck by Bahman Shaha, the first Bahmani ruler resembled the coins of Khilji and Tughlaq. These coins were engraved with the title 'Sultan' after the name of the ruler and the word 'Shaha' appeared below the name of the ruler. Among the Adil Shahi Sulthans of Bijapur dynasty, Ali I (1557-1580) was the first to mint the coins. The coins of Bijapur were mostly in copper in three categories i.e., weighing 60, 120 and 180 grains. Mohammad Adil Shaha of this dynasty had introduced a novel foreign (persian) type silver coin known as '*Larin*'. This was mostly used by the

Arabs during their sea voyage. They looked like a wide piece of silver string. It appears that they were mostly used for costal trade transactions.

Gulbarga region was ruled by the Asaf Zahi dynasty for a period nearly two hundred years (1724-1948). There is practically no authentic record of the currency of the old Hyderabad state, prior to the year 1856. The coins which were in circulation in 1858 depicted on the obverse the name of the ruler, Nizam-Ul-mulk Bhaddur, Asaf Zaha, and the year of mint, and on the reverse side it followed the Mughal design. In 1858, the then Prime Minister Sir Salar Jung I had introduced his currency reforms and founded the Hyderabad Mint. The mint used to receive silver from the nobles and merchants and minted silver coins for them on payment of minting charges. The old system of minting continued till 1893, and there were not less than 24 kinds of rupees in circulation in the Nizam's dominions. The introduction of Charminar coin in 1904 placed the Hyderabad currency on a strong footing. The main features of this coin was the depiction of the historic building Charminar on one side of the coin, the other side contained an inscription in the Arabic language '*Meema*' being the name of the ruler as well as the value of the coin, a special feature. The letter *Meema* was changed to '*Ain*' later. The machine made coins in general were called *Hali Sicca* meaning coins in currency. Later, they were known as *Mahaboobia Sicca* and finally *Osmania sicca*. The weight of the rupee was 172.5 grains as against 180 grains of the British Government rupee.

The rate of exchange between the British Government rupee and *Osmania Sicca* was calculated on the basis that for every 100 rupees of the British Government, the equivalent in the *Osmania sicca* was Rs. 116-10-8 (approximately Rs.117). The Hyderabad Currency Act III of 1912, provided for fixing of maximum and minimum rate of exchange between British government rupees and *Osmania sicca*. Exchange was regulated by the Government through the branches of the then Imperial Bank of India within the State and also by the Central Bank of India. In order to facilitate the currency exchange business, Central Bank of India opened its Yadgir branch in 1939 and Gulbarga branch in 1950. The Agricultural Produce market Act introduced in 1930 made it compulsory that all transactions in the market should be made through *Osmania Sicca* currency only.

Hyderabad currency of one rupee was exchanged for approximately 13½ *annas* of the British India. Coins minted with silver called as "Rupee" while the coins in gold media were called '*Asharfi*'. In addition to gold and silver coins, coins made of an admixture of lead and copper were also in circulation. In addition to the above, there were also coins made of copper and bronze known as *Mahboobia* and *Osmania* coins respectively. *Mahboobia* coins were in three denominations viz., one pie, two pie and three pie, while there were only two denominations in *osmania* coins viz., two pie and six pie coins. In the year 1919, a nickel one *anna* coin was introduced and was in circulation till 1956. The one *anna* coin had a figure 'one' on the reverse side indicating the value as shown in English, Kannada, Telugu and Marathi in the four corners. The machine made copper and bronze coins were in circulation upto 1956.

Paper Currency

In 1918, by opening the currency department, an important currency reformation was ushered in. Accordingly, the paper currency was introduced under the provisions of the Hyderabad Paper Currency Act of 1917, providing for the issue and regulation of paper currency. As per the

provisions of this Act, in 1919, paper currency of Rs.100, 10, 5 and one rupee notes were put into circulation and it continued successfully till 1948. Though India became a free country (1947) it did not introduce any new coins or currency till August 15th, 1950, when a series of new coins were introduced. The new Indian coins and currencies issued had similarity of the British Indian coins in size, design, intrinsic value, weight etc, but had a depiction of the National Emblem (Four lions and Ashok Chakra) taken from the Ashokan Pillar of Saranath.

After the police action in connection with the unification of Hyderabad into Indian Union, in 1948, the Indian coins and currency were also in circulation in the Ex-Hyderabad State along with the old currency i.e., *Hali Sicca* that still remained a legal tender in all Government transactions and accounting etc. The Economic committee report of the Hyderabad Government (1950) and the Rural Banking Enquiry Committee Report (1951) had recommended the need for the circulation of the Indian currency in Hyderabad area from the 1st April 1951. Accordingly, the Reserve Bank of India was appointed Bankers to the State Government while Hyderabad State Bank was appointed agent of Reserve Bank of India within the State, from the 1st April 1953. Gradually, the '*Hali Sicca*' began to disappear from circulation, and finally it was completely withdrawn from circulation w.e.f. the 31st December 1956. From the 1st July 1957, the decimal coinage system was introduced all over the country including Gulbarga district.

CO-OPERATIVE MOVEMENT

The Co-operative movement in India, within the legal framework, made its official beginning in 1904. In old Mysore state, it was heralded in 1905. But, in Hyderabad state, it came into being late by about a decade. Perhaps, the reasons for the delay for launching of the movement in the Hyderabad state, appears to be the policy adopted "to wait and watch" the effects of the movement.

In the Ex-Hyderabad State, the co-operative movement was started in 1914 in accordance with the provisions of Co-operative Act No.II. In 1916, the Hyderabad Government had deputed an officer Fazal-Ulla to Germany to study the co-operative movement there. In the same year, the Registrar for Co-operative Societies was appointed. Officers of Hyderabad state were being deputed for the higher training in co-operative movement to Madras and Poona. After the experience of two decades of the launching of movement in 1934, the Government appointed a committee known as Hyderabad Co-operative Finance Enquiry Committee in order to bring in improvement in the quality and *modus operandi* of co-operative organisations. As per the recommendations of the Committee, in order to strengthen the co-operatives financially, the District Central Co-operative Banks were provided with State financial assistance. As a result of it, primary co-operatives were enabled to get their financial requirements from District Central Cooperative Banks. As per the report of the same committee, in order to help agricultural development at the taluka, the taluka Development Unions and Grain Banks were established for the improvement of rural economy.

The Co-operative movement in Gulbarga district, which was the administrative part of Nizam Government made its beginning in 1917 by establishment of the District Central Co-operative Bank which was the first branch of Hyderabad State Co-operative Bank founded in 1915. As elsewhere, here also, primary agricultural credit societies were first founded and later non-agricultural societies were organised. Primary Agricultural Credit Societies were called 'Anjumane Imdade Bahmani'. It appears that the first Service co-op. Society for the district was opened in 1925 at Nasalwai of Yadgir taluk. In 1976 many of the Primary Agricultural Credit Societies were re-organised and were reconstituted as Vyvasaya Seva Sahakara Sangha (Agricultural Service Co-operatives). (Due to non-availability of old records the list of some of the earliest Primary Agricultural Credit Societies could not be given).

It seems that, though the pace of the growth of co-operative movement was slow in the earlier decades, it was streamlined specially during and after the Second World War. In 1938, Rural Banks were started in order to save poor peasantry from the ruinous rate of interest and exploitation from the private money lenders. These rural financial institutions were mainly aimed at inculcating thrift in rural areas, providing agricultural credit and other requisites, market for agricultural produces, etc.

The Government realised the importance and benefits of co-operatives after the Second World War and this awareness spread among the public also. The Government encouraged to open co-operatives in large number so that more and more agricultural families could come under the orbit of co-operative movement. The special features of co-operative movement of this district, prior to re-organisation was that, during 1940s Grain Banks came into being in large number and these were mainly aimed at inculcating the saving habit of foodgrain among the poor farmers and to lend the grains so saved to the needy in the form of seeds and to meet the other requirements of the members of Grain Banks. Just like money lending, the lending of food grains was widely spread in the rural areas of the district.

During the beginning of the first five year plan i.e., 1950-51, the district had 376 co-operatives of all categories together. During the 2nd plan period and thereafter specially during the post re-organisation years the co-operative movement gained momentum. Efforts were made to bring weaker sections and small farmers under the orbit of co-operation and co-operatives were strengthened at the primary and district level. The economic activities like rural industries, rural housing, agricultural marketing, dairy development, animal husbandry, farming, irrigation, women welfare, development of backward classes, housing, production activities etc., were started in co-operative sphere. In order to support these activities, the Government extended the help like grant of subsidy, loans, share capital contribution, meeting the maintenance expenses etc., as a result of this, most of the farming families were brought under the benefit of co-operative fold. The orbit of the movement was much widened and became deep rooted. The increase in the number of co-operative institutions resulted in the increase of the membership and co-operative activities.

The table given below indicates the progress of co-operative movement in the district from 1950-51 to 1963-64.

Table 6.6 : Progress of Co-operative Movement in the District from 1950-51 to 1963-64.

Sl. No.	Particulars	Year			
		1950-51	1955-56	1959-60	1963-64
I.	No. of Co-operatives				
1.	Primary Agricultural Credit Societies	366	436	302	250
2.	Rural Banks	10	10	8	8
3.	Large Sized Co-op Societies	-	-	43	43
4.	Small Sized Co-op Societies	-	-	13	12
5.	Service Societies	-	-	221	347
	Total	376	446	587	660
II.	Membership:				
1.	Primary Agricultural Credit Societies	8,307	12,095	9,983	9,827
2.	Rural Banks	969	1,139	647	1,121
3.	Large Sized Co-op Societies	-	-	8,531	10,105
4.	Small Sized Co-op Societies	-	-	1,504	1,183
5.	Service Societies	-	-	18,801	34,489
	Total	9,276	13,234	39,466	56,725
III.	Paid-up Capital (in Rs.) :				
1.	Primary Agricultural Credit Societies	2,34,062	2,56,407	2,79,356	3,01,945
2.	Rural Banks	17,707	16,897	8,697	8,395
3.	Large Sized Co-op Societies	-	-	1,99,690	7,31,376
4.	Small Sized Co-op Societies	-	-	33,216	42,197
5.	Service Societies	-	-	3,60,943	14,30,509
	Total	2,51,769	2,73,304	8,81,905	25,56,619
IV.	Loans Advanced (in Rs.) :				
1.	Primary Agricultural Credit Societies	1,38,521	2,15,134	7,53,385	29,491
2.	Rural Banks	12,951	8,885	1,165	-
3.	Large Sized Co-op Societies	-	-	11,01,434	9,84,652
4.	Small Sized Co-op Societies	-	-	1,89,295	53,036
5.	Service Societies	-	-	16,49,468	28,73,301
	Total	1,51,472	2,24,019	36,94,747	39,40,480
V.	Working Capital (in Rs.) :				
1.	Primary Agricultural Credit Societies	10,30,119	12,22,505	14,30,871	16,26,028
2.	Rural Banks	51,538	52,484	26,059	24,06,745
3.	Large Sized Co-op Societies	-	-	11,72,064	24,06,346
4.	Small Sized Co-op Societies	-	-	1,60,411	2,26,039
5.	Service Societies	-	-	19,18,356	74,01,968
	Total	10,81,657	12,74,989	47,07,761	1,16,85,126

Source : Co-operative Department, Bangalore

During the second five year plan period (1956-61), in order to strengthen the co-operative institutions with the assistance of both the Central and State Governments several programmes were undertaken. During this period the activities of the co-operative institutions like District Central Cooperative Bank, Primary Agricultural Credit Societies, Service Co-operatives, Marketing Societies, Primary Land Development Banks etc., were geared up by providing the financial assistance in the form of share capital, loans, maintenance grants etc. During the second five year plan period (1956-61) the amount granted by the Government for the above purposes was Rs.11,45,130, the assistance given during 1961-64 accounted to Rs.10,41,162. During the third five year plan period (1961-1966), the major co-operative institutions were further strengthened, as a result of it, new economic activities like processing, agriculture, consumer goods etc. were started in co-operative sector. During this plan period, it was aimed at establishing 228 consumers co-operatives, however this target was achieved two years before the time, by opening 238 consumers, co-operatives in 1963-64 itself. During this period, a Co-operative Training Centre for imparting training to the staff of the Co-operative department was started at Gulbarga.

Non-agricultural credit societies to cater to the credit needs of urban and semi urban areas known as '*Shahari Banks*' (Urban Banks) and credit societies were organised by the employees of the organised sectors as early as in 1940s. Among them, credit co-operative society at Mahagaon (9.11.1940), Co-operative Urban Bank, Yadgiri (11.10.1940), Kamalapur (2.3.1940) and Gulbarga Urban Co-operative Bank (20.6.1941) are prominent. The district had 67 non-agricultural credit societies including the Urban banks to advance loans for non-agricultural purposes.

Among the Consumers Co-operatives, the Shahabad Cement Co. Employees Society (1951) is prominent. The district has more than 80 Consumers' co-operatives. In order to ease the growing housing problems in urban areas, the house building co-operatives in the district were first started in 1955-56. The prominent among them were Jai Hanuman House Building Cooperative Society, Gulbarga (27.7.1955), House Building Co-operative Society, Chittapur (11.12.1956), Small Income Group House Building Cooperative Society, Yadgiri (20.06.1956), The Taluka SC/ST House Building Cooperative Society, Shahapur (10.01.1956), Samatha House Building Cooperative Society, Brahmapur Gulbarga (1960), Bapunagar SC/ST House Building Cooperative Society, Gulbarga (1960), Education Department Employees House Building Cooperative Society, Gulbarga (1960), N.G.O. House Building Co-operative Society, Gulbarga (1961) etc. At present, there are more than 90 house building co-operatives in the district with 22,000 members. At the taluk level, there are SC/ST house building co-operatives for each taluk.

In order to strengthen economically viable units, the primary agricultural credit and other primary societies were reconstituted. As a consequence of it, the earlier number of 569 Primary Agricultural Credit Societies was reduced to 231. In order to extend long term agricultural development loans, the primary agricultural land development banks at the rate of one for each taluk came into being during the decade 1950-1960. The first such bank for the district was opened at Yadgiri in 1956. Later in 1960, similar banks were opened at Aland, Gulbarga and Shahapur. Among the rural industries in Co-operative sector, Leather Tanning Co-operative Society at Gurmatkal (19.1.1950) (now defunct), Blacksmith's Co-operative Society (6.2.1952). Enne Gana Co-operative Society, Chitapur (24.4.56) (now defunct) are said to be the earliest for the district. The district has about 20

weavers co-operatives and of them Kambali (Blanket) Society of Chincholi (14.1.1955), Hipparga Weavers Society at Hipparga (11.12.1958) are the oldest in the district. In addition to weavers co-operatives there are more than 60 industrial co-operatives registered in this category, including taluka level rural industries unions. The majority of industries coming under this category are not functioning due to one or the other reasons.

The earliest fisheries co-operatives for the district include Markal Society (1963) of Shahapur taluk and Durga Devi Society, Yadgiri. The earliest Taluk Agricultural Produce Cooperative Marketing Societies for the district are Gulbarga (25.1.59) and Sedam (5.11.1959). The District Horticultural Co-operative Marketing Society founded at Gulbarga (28.10.1957) is the first special purpose Marketing Society for the district. The district has a good number of milk producers' co-operatives (143), among them Gulbarga District Milk Producers Union (30.03.1961) and Padsawali Milk Society (6.12.1968) of Aland taluk are the earliest. In order to cater to the growing demand for oil seeds, during the decade 1980-90, as many as 36 oil seeds growers societies were registered and of them majority 13 were in Surapur taluk followed by Yadgiri (eight) and Shahapur (seven). The district also has five joint farming societies registered during the period from 1955-1967, among them, the society at Naganahalli (Gulbarga taluk) 13.6.1955 is the oldest. Of these societies two are situated at Madan Hipparagi of Aland taluk.

In order to facilitate proper utilisation of water from the Upper Krishna Project as many as 60 farmers' irrigation societies were registered in the district during the decade 1990s, and the majority of them are found in Surapur, Shahapur, Aland and Afzalpur taluks. Of these societies, the one at Mannur (26.07.1983) (Afzalpur taluk) is said to be the earliest Small and Marginal Farmers Lift Irrigation Society in the district. Among the irrigation societies, there are four societies exclusively meant for SC/ST communities located at Kadaganchi (Aland taluk), Srinivas Tanda, Gogi and Shantapur (Surapur and Shahapur taluk).

Recently, in order to cater to the local needs through co-operatives, various types of new societies have been registered. The prominent among them are tractors' owners society, societies for unemployed (60), garibhi hatavo co-operative societies (societies for eradication of poverty) (26), sericulture society, electrical society, Aland (1984), the printers society etc. Most of the poverty eradication societies are registered in Gulbarga City. The first society of this category named as Pragathi Co-operative Society was registered on 30.03.1964. The major industry of the district in co-operative sector is a sugar factory at Bhusnur of Aland taluk functioning since 1982. The district has about 94 multipurpose women co-operatives and a majority of them are functioning and they were registered during the years 1985-94. The first society in this category is the Mahila Kalyana Vividhodhesha Sahakara Sangha, Jevargi colony, Gulbarga (12.12.1985). As at the end of March 1996, the district had about 33 different categories of societies functioning. Every village in the district has one or the other kind of co-operative society. As reported by the Deputy Registrar of Cooperative Societies, the district has 1,193 societies and of them 153 are liquidated and 154 are defunct. Of the total number of societies, 233 are agricultural service societies which play an important role and through these societies agricultural credit and other requisites for development of agriculture channelled at the grass root level. These co-operatives serve as an edifice for the gigantic structure of co-operative sector. The next highest number of co-operatives are 156 milk producers societies and of them 60 are defunct. The district has 108 women co-operatives and of them only six are inactive, and the next large number is of house building cooperative societies numbering 96 followed by consumers' co-operatives numbering 91.

Co-operative Credit

Of the total credit requirements for agriculture, the share contributed by the co-operatives in the recent years has increased considerably. In order to streamline the recovery position, interest concession is also given for repayment of old loans within the due date. In the year 1995-96, the total amount of deposits mobilised and advances made by different categories of co-operatives in the district was as follows: The deposits and advances of four urban banks was Rs.138.72 lakh and Rs.110.65 lakh respectively. In respect of District Central Co-operative Bank with its 14 branches, the corresponding figures were Rs.995.44 lakh and Rs.1130.82 lakh. The total volume of medium and long term advances made by 10 Primary Cooperative Agricultural Rural Development Banks accounts for Rs.1505.76 lakh. Among the co-operative institutions, except urban banks the deposits mobilised by other societies was very meagre.

Government Assistance

In recent years, in order to facilitate the development of co-operative sector, specially in respect of women's co-operatives, SC/ST societies, both the Central and State Governments are extending financial assistance under different schemes. The assistance include contribution towards share capital, loans and subsidy grants etc. During the last three years, i.e., 1992-93 to 1994-95, the loans sanctioned by the Government to cooperatives of the district accounted to Rs.14.19 lakh, 11.62 lakh and Rs.1.77 lakh respectively while the share capital contributed accounted to Rs.3.17 lakh, Rs.64.09 lakh and Rs.47.42 lakh respectively. During the above years, the subsidy granted was reckoned at Rs.3.84 lakh, Rs.11.96 lakh and Rs.24.60 lakh respectively.

The table 6.7 given below indicates particulars of co-operative institutions in Gulbarga district as at the end of June 1971.

Table 6.7 : Co-operative Institutions in Gulbarga District (Rs. in lakhs)

Particulars	No. of Societies	Membership in (000)	Share Capital	Working Capital	Deposits	Loans granted	Profit
Primary agricultural credit societies	658	56	53.1	286.3	2.0	176.0	2.90
Primary Co-operative Agriculture and Rural Development Banks	10	13	40.5	135.1	-	19.8	0.30
Non-agricultural credit societies	40	4	2.8	5.9	0.4	3.4	0.2
House building co-operatives	32	10	6.6	51.6	-	660 Houses	0.2
Primary Marketing and processing co-operatives	11	4	22.5	42.9	-	-	1.2
Primary consumer stores	52	13	4.5	7.6	-	56.2*	0.9
Other industrial co-operatives	71	3	1.4	8.5	2.0**	1.4*	0.1
Forming co-operatives	31	0.4	2.3	7.6	-	-	0.6
Milk Supply Co-operatives	21	0.7	0.5	2.0	1.5**	1.6*	0.2

The district has 27 handloom weavers co-operatives with 12,000 members. * Sales ** Purchases/Production
(Source: Karnataka Shakara Kaipidi, 1972, Bharathi Prakashana, Bangalore)

Agricultural Credit Societies

Under the three tier system of co-operative organisations, the primary agricultural credit co-operative societies working at the grass root level play an important role. It is through them that agricultural credit and other requisites are channelised from the apex level institutions to the village level societies. By the end of June 1964, there were 661 agricultural credit cooperative societies in the district and of them a majority (347) were service societies, 250 were primary agricultural credit co-operative societies (PACS), 43 large sized, 13 small sized and eight rural banks. In order to strengthen them economically viable units, they were reconstituted in 1976-77 as a result of which there was a considerable decrease in the number of societies. As at the end of March 1995, the district had 228 vyavasaya seva sahakara sanghas. Talukwise distribution was as follows: Gulbarga (31), Shahapur (29), Yadgiri (27), Aland (25), Jevargi (23), Surapur (23), Chincholi (22), Chitapur (19), Afzalpur (18) and Sedam (11). Most of the crop loan and short term credits of the district are distributed by these agencies, whereas medium and long term development loans are distributed through Agriculture and Rural Development Banks working at the taluk level. In addition to vyavasaya seva sahakara sanghas there are four Raithara seva co-operatives (Farmers service co-operative societies - FSS) founded in 1976 located at Kadaganchi (Aland tq), Jevargi and Kalagi (Chitapur tq) and Yadgiri.

Table 6.8 : Particulars of Primary Agricultural Credit Societies

(Rs. in 000s)

Sl. No.	Particulars	Year ending		
		3.06.1980	30.06.1990	31.03.1995
1.	No of societies	249	232	232
2.	Membership (in thousands)	125	156	203
3.	Share capital: Total	11,032	20,530	28,552
	Government Share	3,104	3,976	5,366
4.	Working Capital	53,242	1,65,470	1,36,766
5.	Reserve funds and other funds	613	455	1,118
6.	Deposits	400	958	1,407
7.	Borrowings :			
	1. Government	886	2,459	3,492
	2. Central financing agencies	30,583	1,39,019	97,686
	3. Other Sources	9,450	1,373	3,771
8.	Loans granted : Short term	8,807	4,629	42,338
	Medium term	1,657	-	3,965
	Loans Recovered: Short term	8,074	1,995	84,798
	Medium term	2,397	-	1,565
	Balance : Short term	25,043	1,20,404	82,245
	Medium term	14,455	-	8,535
	Over dues : Short term	19,141	1,15,393	36,800
	Medium term	13,790	-	6,520
9.	No. of societies that earned profits	90	28	100
	Amount of profit	1,298	178	7,317
10.	No. of societies under loss	156	204	132
	Amount of loss	1,282	3,236	5,307
11.	Short term loan to SC/ST	1,292	1,032	8,240

District Central Co-operative Bank

The beginning of co-operative movement in the district is closely associated with the beginning of the District Central Co-operative Bank founded in 1917. This is the first District Central Co-operative Bank in the Hyderabad State. The founder members of this apex body at the district level include B.Ramachandra Rao Jange (Gulbarga), Anna Rao Ghanamukhi (Gulbarga), Bapugowda Darshanapur (Shahapur), Dharma Rao Afzalpurkar (Maratur) and others. After the establishment of this bank in 1917, four similar central co-operative banks were opened at Yadgiri, Sedam, Shahabad and Basirabad (presently in Andhra Pradesh) thereby the earlier area of operation of the bank was reduced. Before the re-organisation of the state in 1953-54, the four central banks founded earlier were merged with this bank and with the assistance of Reserve Bank of India, the banking activities were not only strengthened but also expanded. The membership of the bank increased to 828 by the end of March 1964. In order to extend banking services throughout the district, during the period from 1960-61 to 1963-64, nine branches were opened one for each taluk. The financial position of the bank by the end of March 1964 was as follows: Paidup share capital Rs.16,66,394. Deposits : Rs.21,10,936, Loans and advances : Rs. 44,06,140. The bank had 14 branches in the district by 1996.

The progress of the bank for some years from 1956-57 to 1994-95 is given in table 6.9

Table 6.9 : Progress of the Bank

(Amount in lakhs)

Sl. No.	Particulars	Years				
		1956-57	1964-65	1974-75	1984-85	1994-95
1.	Membership					
	B- Class	395	823	843	742	804
	A- Class	1	1	1	1	1
2.	Branches	1	9	14	14	14
3.	A) Authorised Share Capital	5.00	50.30	200.00	200.00	500.00
	B) Paid-up Share Capital	1.34	18.99	88.83	102.53	271.20
	C) Government Share	-	-	37.84	37.84	47.84
4.	A) Statutory Reserves	1.07	2.01	6.31	14.41	38.00
	B) Other Reserves	0.76	1.74	6.44	17.77	43.02
5.	Deposits	0.82	23.97	102.45	291.15	775.79
6.	Loans from Apex Bank	4.47	66.90	173.77	205.92	2,033.62
7.	Loans due to bank	5.92	113.94	374.31	466.94	2,248.69
8.	Working Capital	9.66	145.39	432.08	683.29	3,302.84
9.	Profit	-	-	6.15	30.43	42.54
10.	No. of employees	-	-	137	131	126

Progress of Primary Co-operative Agriculture and Rural Development Banks in Gulbarga district is indicated in table 6.10 below

Table 6.10 : Progress of Primary Co-operative Agriculture and Rural Development Banks in Gulbarga district
(Amount in 000s)

Sl. No.	Particulars	30.06.1980	31.03.1992	31.03.1996
1	No. of Banks	10	10	10
2	Membership (in 000s)	27.5	50.8	79.0
3	Share Capital : Total	6,607	20,817	41,502
	Government Share	3,191	5,128	4,276
4	Reserve Fund and other funds	378	1,444	7,506
5	Deposits	82	08	109
6	Borrowings	39,666	2,60,650	5,95,441
7	Working capital	46,744	2,83,308	6,03,339
8	Loans granted	1,279	1,50,499	1,50,576
	Loans due	-	3,80,558	5,33,967
	Loans overdue	-	38,766	1,00,884
	Loans recovered	-	10,897	31,161
9	Profit earned or loss incurred: Profit	42	3,035	731
	Loss	1,602	15,825	17,087

Particulars of Milk Producers Co-operatives in Gulbarga District is indicated in table 6.11

Sl. No.	Particulars	Year ending		
		30.06.1983	31.03.1990	31.03.1995
1	No. of Societies	25	115	136
2	Membership	1,068	8,850	21,928
3	Share Capital : Total (Rs. in Crores)	50	195	232
	Government Share -do-	-	80	72
4	Loans borrowed -do-	140	190	143
5	Reserve and other funds -do-	2	-	41
6	Working capital -do-	194	465	713

The Particulars of House Building Co-operatives in Gulbarga district is indicated in Table 6.12
(Amount in 000s)

Sl. No.	Particulars	Year ending		
		30.06.1980	30.06.1990	31.03.1995
1	No.of. Societies	55	91	94
2	Membership (in thousands)	12	20	23
3	Share capital	964	2,520	2,962
4	Reserve and other funds	47	230	226
5	Working capital	7,657	10,310	23,463

The table 6.13 below indicates particulars of Non-agricultural Credit Co-operatives in Gulbarga district

Table 6.13 : Particulars of Non-Agricultural Credit Co-operatives in Gulbarga District

(Amount in 000s)

Sl. No.	Particulars	Year ending		
		30.06.1980	30.06.1990	31.03.1996
1.	No. of co-operatives	57	48	74
2.	Membership (in thousands)	5	15	19
3.	Share Capital : Total	699	4,365	12,281
	Government Share	5	135	511
4.	Reserve fund	174	265	4,352
5.	Deposits	345	3,282	16,849
6.	Loans borrowed	244	-	8,862

The table 6.14 here under gives Particulars of Consumers, Co-operatives in Gulbarga district.

Table-6.14 : Particulars of Consumers, Co-operatives in Gulbarga District.

(Amount in 000s)

Sl. No.	Particulars	Year ending		
		30.06.1980	30.06.1990	31.03.1996
1.	No. of co-operatives	61	80	81
2.	Membership (in thousands)	22	25	25
3.	Share Capital : Total	864	1,005	1,892
	Government Share	740	340	898
4.	Reserve and other funds	552	405	505
5.	Loans borrowed	1,045	480	1,198
6.	Working capital	-	1,890	5,296
7.	Purchases made	4,568	25,035	44,735
8.	Sales effected	4,570	24,365	44,674

District Co-operative Union

The co-operative unions have been playing key role for the expansion and healthy growth of the movement from their inception. Interalia, the main objectives of the union are: the propagation of basic ideologies of co-operation, formation of societies, training to the members and the Board of Management and the spread of co-operative education etc. After the re-organisation of the state, the former Apex body, i.e., the State Co-operative Union was renamed and reconstituted as the Sahakar Mahamandal, Bangalore. It is playing an important role in guiding and assisting district unions. The Mahamandal is the federal body of district co-operative unions at the State level.

Gulbarga District Co-operative Union which was founded in 1960, functions as per the guidance and directions of the State Federation in respect of co-operative training and propagation of principles of co-operation and it strives for the spread and healthy growth of the Co-operative movement.

It also aims at strengthening of effective functioning co-operatives and promotes new institutions. The membership of the union in 1994-95 was 341. The main sources of income of this union include annual membership fees and contribution made by the member institutions.

The union has undertaken a special educational programme for SC/ST members in the district since 1994 confining to Gulbarga district. This programme is jointly undertaken by the National Co-operative Union, New Delhi and the State Sahakar Mahamandala, Bangalore. The main objectives of this programme include imparting co-operative training to the members of SC/ST co-operative institutions and to the unemployed youth and training members of self-employed which includes the programmes of integrated Development Schemes. In the beginning (1994), this programme was implemented in 20 villages of Jevargi, Shahapur and Yadgiri taluks. Later, it was extended to Gulbarga taluk in 1996. During the period from 1964 to 1996, under this programme, 15 days co-operative training was imparted to 164 men and 178 women and the stipend disbursed was Rs.60,000. Under the self employment scheme, training was imparted to unemployed youth in vocations like agriculture, dairy, horticulture, sericulture and earthworm cultivation. This training was very effective in making unemployed youth to be self dependent. Under this programme, 450 new women members and 2,794 farmers were admitted in the respective co-operatives, and Siradone village of Gulbarga taluk has been adopted for its all round development from IFCO.

Co-operative Training Centre

It was started in 1963 in order to give fillip and to strengthen the movement in Gulbarga division. It functions under the control of the Sahakar Mahamandala, Bangalore. The main objectives of the training centre are to impart training to junior staff of co-operatives as well as the co-operative department and other interested members of the public and offer Diploma in Co-operation. The duration of the training course is for 24 weeks. Stipend is also granted to trainees. Special training is also given for the staff of different co-operatives as per the directions of the National Co-operative Development Council and State Co-operative Mahamandal. Short term training course is also conducted for the board of management and members of the co-operative institutions. From 1991-92 to 1995, the number of people who got Diploma from this centre was 228 and the number of office bearers of various co-operatives trained were 463, while the number who received special short term training was 257. The centre has a good library and hostel facilities.

TRADE AND COMMERCE

There are a number of factors which contribute to the growth and development of trade and commerce of a particular region. They include availability of natural resources, basic infrastructure like transport and communication, marketing activities, hinterlands, financial institutions, professionals, utilisation of human resources, agricultural and non-agricultural produces, urbanisation, industrialisation, imports and exports, and programmes and policies of the Government etc. Considering the availability or the existence of the above factors the northern Karnataka, which also includes former Hyderabad area, during the last hundred or two hundred years, appears to have remained backward in this respect. In addition to the above parameters, there are other factors like socio-economic and political conditions which have also contributed to the backwardness.

Ancient Period

There are abundant inscriptional evidences found in this region, pertaining to ancient Karnataka which throw adequate light on various kinds of traders or merchants. The inscriptions elaborate on the social, political status, honour, privileges enjoyed by merchant community and their associations, their contributions for promotion of religious and cultural activities, etc. Inscriptions found here make a mention of merchants who carried on their inherited business. The merchants mentioned in inscriptions are *settybanajiga*, *settygutta*, *nakara*, *mummaridanda*, *vaddavyavahari*, *gavare*, *gaatriga*, *settigar*, *ubhaya nanadesi* etc. Similarly, inscriptions also make a mention of merchant guilds or trade associations like *Ayyavole Ainoorvar*, *Tumbaliga Sasirvaru*, *Nakara*, *Telligaru*, *Maalegaar* etc. An inscription of Nagavi of Chitapur taluk dated 1092 AD indicates *shettis* as local people, similarly an inscription of Malkhed of the 16th century makes a mention of local Nagishetty as '*Mahavriddhi Shetty*'. The inscriptions of Harlakatta (1158 AD) and Ingalgi (1209 AD) both of Chitapur taluk describe *Settygutta* and *Nadasettyguttas*. The inscriptions of Yevur, Mudenoor, Hagartgi and Sedam make a mention of *settys*.

Nakaras

Nakaras, one of the categories of mercantile community of the ancient Karnataka, as mentioned in the inscriptions of this district, could be identified as traders of permanent establishments in the Shandy (Santhe) towns. An inscription of Mashal (1119 AD) of Afzalpur taluk makes a mention of *Pancha Nakarangal* (Nakaras of five towns). The inscriptions of nearby Basavakalyana (Bidar district) also mention about the *Nakaras*. The inscriptions of Chinmalli (1292 AD) of Afzalpur taluk and inscriptions at other places like Yevur, Mudenoor, Hagartgi, Haradoor, Andola and Nalwar make a mention of *Nakaras*.

Mummaridandas

They were the traders moving from place to place carrying their goods for marketing. They used to purchase goods in the local market and sold them in other markets. The inscriptions found at Ankalagi (1180 AD), Jevargi taluk, Adaki (1172 AD), Sedam taluk, Hodal (1180 AD), Aland taluk, Chinmalli (1175 AD), Afzalpur taluk, etc., make a mention about this type of traders in addition to the inscriptions found at Ingalgi (1209 AD) Chitapur taluk, Chikkamudanoor and Hagartgi (1218 AD). Perhaps, the above mentioned places might have been the trade centres of *Mummaridandas* or merchants. In the inscriptions found in the above mentioned places they are jointly mentioned as *Moovattaru beedina Mummaridandaru* (*mummari dandas* of 36 places). As mentioned in the literary sources (Ragale) of Kuragod (Bellary district), *Mummaridandas* are described as those who respected all religions, (*Sarvadharm Buddhiyavaru*), enterprising (*vyavahara praveenaru*), noted for gallantry and helping nature (*parakrama* and *paropakarigalu*).

One Mavinahala Kalisetty or Kalideva setty who was contemporary of Sharana Siddarama is described as a precious stone (diamond) for the bunch of hair of the *Mummaridandas* (*Mudiya Manikya*). Kallisetty was an ardent devotee of Shiva. Mudenoor or Surapur taluk of Gulbarga district is said to be the ancestral place of Kalideva setty. He has proudly described himself as the '*Banangigarainurvara Putra*' as described in the inscription.

Vaddavyavahari (elderly merchants)

This category of traders was held in high esteem in the mercantile community and they were honoured as *Vadda Bevahari* or *Hiriya Vyavahari* (elderly businessman or trader). Many of these merchants were honoured and respected by the rulers and they had ownership of Mint (*Mudrapana* or *Kammata*). Some of them had the status of *Pattana Swamy* (Head of the town) and some of them were empowered to issue the Regulations (*Shasanas*). These merchants belonged to *Shaiva*, *Vaidika* and *Jaina* communities or faiths and politically they were highly influential.

Nanadeshi And Ubhaya Nanadeshi

This ancient mercantile community (Caravan) used to carry certain types of goods with them on packed animals and used to travel widely throughout the country. They used to carry on both buying and selling of goods. The inscriptions found in the following places of the district make a mention about them. Yevur inscription of 1105 AD of Surapur taluk, Ankalagi (1108 AD) (Jevargi tq), Sedam (1138 AD), Yadiyapur (1200 AD) (Surapur tq), Chikkamudanoor inscriptions of 1146, 1188 and 1218 AD, 1144 AD of Hagartgi and Hodal.

Gavares

Inscriptional evidences found in the district endorse that during the ancient and medieval period this region was renowned for the cultivation and well organised marketing of betel leaves. The merchants engaged in the trade were the worshippers of Gavareswara. The inscriptions of Yevur (1105 AD) of Surapur taluk and Hagartgi (1200AD) make a mention of '*Gaarriga*' (those who were selling betel leaves by carrying them on their backs or on animals). The association of these traders was known as *Tumbaliga Saseervaru* (1000). An inscription of Nagavi (1087 AD) mentions these betel leaves traders as *Honna Vanigaru*. According to the inscriptions of Mashyala (1119 AD) Afzalpur taluk and Malkhed (1123 AD) seem to be centres of this trade.

Merchants Associations (Guilds)

As is very common in the present day commerce, in ancient and medieval period too, there were trade associations or merchants' guilds and craftsmen associations formed voluntarily for the promotion of their trade or to protect their own interests. As evidenced by the inscriptions they are mentioned as *Seni*, *Shreni*, *Kottali*, *Samaya* etc, as alternative terms. Mostly their names are suffixed with a numerical figure which indicated the number of members in the guild. There were no similarities in these organisations. According to inscriptions, the merchants of these associations were of philanthropic nature who volunteered themselves in activities like construction and maintenance of temples and offering temple services like daily worship (*pooja*), *Angabhoga*, *Rangabhoga*, *Nandadeepa* (perennially burning lamp before the God). The inscription of Malkhed of the 16th century states that one Prithvi Setty son of Ishwara Setty got constructed a Hanuman temple. Ishwara setty had a title '*Malayadri Puravaradishvara*'. Another inscription from the same place of 1123 AD mentions that one Mallasetty installed the idol of Sun God there. Another unpublished inscription of Chikkamudanoor of Surapur taluk of 12-13 century AD mentions that 36 *Mummaridandas* and *Ubhaya Nanadeshis* forming *Mahanadu* made an endowment to the local Rameshwara temple.

According to the inscription, during the 11th century AD Kulageri of Jevargi taluk was a famous trade centre and there is a mention of many *setty*s. It had a branch of Ayyavole-500. The traders were using carts, oxen, donkeys and buffaloes for transportation of goods. Locally, the commodities like turmeric, jaggery, pepper, tamarind, betel leaves, paddy and jute were being traded as revealed by the inscription.

Ayyavole Ainuru - (500)

A famous merchants' association known as Ayyavole-500 which had reached its peak in popularity during the rule of the Chalukyas of Badami (535-757 AD), gradually began to decline. It was a federal mercantile body consisting of various categories of traders and professionals. It had a network of branches. The special feature of this guild was that though it was an association of merchants of different castes, creeds and faiths, scattered in various places, they recognised or identified themselves with that common name only. The first inscriptional mention of it is found in the inscription of Aihole 800 AD, the last mention of it is found in 1398 A.D. of Singanellur (Mysore district) inscription. The tamil inscriptions make a mention of this organisation up till 1680 AD. The inscriptions of Adaki (1117 AD) of Sedam taluk and Chinmalli (1175 AD) of Afzalpur taluk make a mention of "*Srimadayinoor Swamygala movattaru beedu Mummaridandagalum*" and Mashal inscription of 1119 AD (Afzalpur taluk) makes a mention of *Ainoor Swamigalu*, Hodal(1180) mentions *Ainoor Swamigalu*, Adke (Sedam taluk) inscription of 1172 AD also mentions "*Ayyavole Mainarvaru*" in a different way. These traders were ardent worshippers of shakti deity. The inscription of Adaki (1172 AD) further mentions that they had their own flag of *Gudda dwaja* (symbol of mount Kailas) and were followers of Shaivism. Like kings, these traders too had adopted their own titles (*prasastis*) epithets or attributes. The two inscriptions found at Adake (1172 AD) and the other Chinmalli Afzalpur taluk (1175 AD) and Chikkamudanoor (1229 AD) of Surapur taluk (unpublished) mention about the titles of these traders. There are four such titles (*prasastis*) found in the district of Gulbarga.

Producers' Associations

As evidenced by the inscriptions, in addition to the merchants' associations, there were also associations of manufacturers or producers like oil millers (*ganigas*), weavers and stone cutters who were engaged in their professional occupations. An inscription of Mashal (1119 AD) makes a mention about oil millers association as *Telligaraivatvokkalu* (50 families of oil men). Production and sales of oil was under their control like personal *Gaanas* (Oil pressing machines). There were oil pressing machines installed in the name of local dieties known as *Devagaanas*. The locality of oil millers was called Telligageri (oil millers street). Telligeshwara was their deity of worship. The tax imposed on them was called *ganadere*, *ganaya* and *ganada sunka* etc. An inscription of Yevur (1110 AD) of Surapur taluk makes a mention of existence of producers' association of stone cutters known as *Kalkutika Gottali* - 120. The association of weavers is mentioned as *Samaya Sasirvaru*, *Saale Sasirvaru*, *Pattagara Samaya*, in inscriptions. The weavers who were engaged in the weaving of nice fabric were known as Pattasaliga or Pattagar. They were selling loomed cloths in the local *shandies*.

Tumbaliga 1000 (*Hannavani* 1000) is the name of the association of merchants engaged in selling betel leaves. The inscriptions found at Kakkeri (1127 AD), Chikkamudanoor (1188 AD),

Rajankolur (1214 AD) and Sedam refer to these organisations which appear to be prominent betel leaf growers' organisations in those days.

In the course of history, responding to the changing political, socio-economic conditions, trade and commercial activities were continued. Next to agriculture, commerce continued to be the main economic activity. Once upon a time the royal capital of medieval history of this district like Gulbarga, Surapur, Gogi (Adilshahi period) and other towns were prominent trade centres. Kulageri was the famous trade centre during the period of the Chalukyas of Kalyani. Foreign travellers who visited south India have described the commercial glory of these places, which were the then royal capitals of the district. Russian traveller Nitikan who visited Aland makes a mention about the trade of 20,000 horses and the crowd which gathered on the *shandy* day. At that time, Aland was a famous commercial centre of Bahamani Kingdom.

Due to the situations like frequent wars and attacks on this region, inadequate means of transport and communications, commerce or trading activities were restricted only in respect of surplus agricultural and industrial products. Even then, traders by their movement from place to place were able to meet the demand and supply of various goods. Local merchants and artisans by forming their own associations or guilds carried on their commercial activities with the assistance of local authorities and the Government. Trade was not absolutely unrestricted. There was no uniformity in respect of weights and measures, currency, coinage and exchange rates. Even in a limited geographical area there used to be vast variations in weights and measures. Most of the mercantile goods and commodities were taxed. Different kinds of taxes were levied at different stages. Local *Shandis* were prominent trade centres. Due to the incentives or facilities extended for trade and commerce, many villages attained the status of towns. The *pattansettys* were appointed to administer the towns. The local Governments and rulers were helpful for these developments. Foreign trade was encouraged through the ports. The Vijayanagar rulers laid emphasis on the development of foreign trade. Handloom weaving was a prominent industry in those days. Handloom products were sent to far off places. There was a brisk trade of carpets of Warangal in Gulbarga area. Similarly, the metal products specially the craft of making gold ornaments was special. The salt produced in the areas of sea coast was sold throughout the Deccan region.

During the rule of the Vijayanagara and Bahmani rulers, industries got firmly established. The improvements in the trade routes facilitated the increase in the volume of trade and commerce so also imports and exports. Though, there was a barter trade in practice, it facilitated the expansion of markets due to the movement of goods from market to market. During the period, the organised trade and commercial activities were streamlined. During the Bahmani rule, the products of home industries were exported to the neighbouring states and specially the muslin cloth was very famous in South India.

After the fall of the Vijayanagar Empire, there appeared to be a recession to a certain extent in the trade and commerce activities of the district. However, commercial activities were stimulated and

expanded during the Nizam administration and also during the British rule. The introduction of railways in the later part of last century i.e. Madras-Bombay broad gauge line (1863-1873) via Gulbarga (GIP Railway) and Hyderabad-Wadi Railway line formed in 1873, provided new impetus for the growth and development of trade and commerce. During the subsequent years, due to improvement in transportation, specially the increase in the public carrier system (lorry services) facilitated the increase of the export of agricultural produces of the district, specially jowar, oil seeds, cereals etc. and also some industrial products. Likewise, the import of consumer goods specially cloth and spices to the district increased. In the meanwhile, organised new markets came into being.

Gulbarga, Aland, Surapur, Kosagi, Yadgiri, Sedam, Shahabad and Kodangal attained the status of important towns in 1905. In 1874, Gulbarga town was made a divisional headquarters. This in turn promoted trade and commerce. From the beginning Gulbarga has been competing with neighbouring Sholapur (Maharashtra) in activities related to trade and commerce.

Imports and Exports

Generally, import and export activities of a place are governed by several factors like agricultural and industrial products of the place, marketing facilities, demand and supply position etc. Vast changes in the items of imports and exports can be seen from time to time. During the decade after 1960 the major exports of the district comprised jowar, bajra (sajje), pulses and other cereals, leather, cotton, jaggery, oil seeds, tobacco and paste used for tanning of leather. While the chief imports comprised salt, salt fish, silver and gold, cotton cloth, processed sugar, iron and steel and other metallic goods, cotton and woolen fabric, match box, kerosene, hardware and other consumer goods. (See table 6.15)

Trade Centres

The commodities or goods imported to this district from other districts and states are being distributed within the district through various trade centres. Gulbarga city is one such important centre. The towns with regulated markets and sub-markets are the main whole-sale trade centres of the district. The places like Sedam, Chitapur, Shahabad, Wadi, Yadgiri and Gulbarga having rail connection effect large volume of trading activities. In 1964-65, the total number of shops and other business establishments in the district were 4,780 providing employment to about 5,030 people. The above employment figures covered commercial centres of the district viz., Gulbarga, Yadgiri, Shahabad, Sedam, Chitapur, Surpur, Shahapur, Chincholi and Aland.

In 1965, Shops and Commercial Establishment Act was made applicable only to three big towns viz., Gulbarga, Yadgir and Shahabad, provided employment to 2,837 covering 3,253 shops and establishments of the above three towns. In 1971, the total number of retail trade establishments in the district was 9,648 and the district ranked 7th in the state. Compared to other districts of Hyderabad Karnataka area, this district had more number of shops and establishments. According to a source of 1971, Gulbarga was one of the nine important cities of the state having large number of whole-sale business establishments numbering 268 and majority of them engaged in dealings of foodstuff, textile, beverages and intoxicants. Weekly *shandies* were the main centres of retail trade.

Table 6.15
 Table 6.15. Main Imports-Exports of the Important Trade Centres of the District.

Sl. No.	Towns	3 main items of import			3 main items of export			3 main items manufacture		
		Cloth	Sugar	Kerosene	Banana	Cotton	Jowar	Sawn timber	Edible oil	
1	Azalpur	Cloth	Rice	Food grains	Handloom	Banana	Jaggery	Handloom	Jaggery	Sawn Timber
2	Aland	Cloth	Rice	Food grains	Sarees and Dhothis			Sarees and Dhothis		
3	Chinchoil	Cloth	Rice	Food gains	Sawn Timber	Shahabad stones		Sawn Timber		
4	Chitapur	Jowar	Tur (Thogari)	Ground nut	Polished stone slabs	Tur (thagari)	Shahabad stones	polished stone slabs	Turdal	Chemicals
5	Gulbarga	Cement	Teak	Iron plates, rods and angles.	Cement pipes	Steel furniture	Clothes	Cement pipes	Furniture	Clothes
6	Gurumatkal	Cotton	Rice	Food grains	Handloom cloth	Sawn timber		Handloom cloth	Sawn timber	
7	Jevargi	Rice	Ground nut oil	Fabrics	Jowar	Tur (thagari)	Kambali (blanket)	Kambali	Chappals (foot wears)	
8	Sedam	Fabrics	Tur (thagari)	Groundnut	Turdal	Ground nut oil	Shahabad polished stones	Polished stone slabs	pulses	ground nut.
9	Shahabad	Rice	Fabrics	Fuel wood	Shahabad	Stone platform for kitchen	Turdal	Polished stones	Grinding stones	Animal feeds
10	Shahabad ACC	Coke	Gypsum	Gunny bags	Cement	Machine tool parts		Cement	Machine tool parts	
11	Shahpur	Fabrics	Cotton	Rice	Handloom	Ginned cotton	Ground nut oil	Edible oil	Handloom sarees	Ginned cotton
12	Surpur	Rice	Wheat	Edable oil	Jowar	Ground nut	Cotton	Handloom sarees	Ginned cotton	Edible oil
13	Wadi	Coke	Bricks	Lime stones	Cement	Stone slabs		Polished stone slabs	Bakery products	
14	Wadi ACC	Coke	Lime stone	Machine tools	Cement			Cement		
15	Yadgiri	Cotton	Tabacco	Groundnut	Ginned cotton	Rice		Beedies	Groundnut oil	Ginned cotton

REGULATED MARKETS

There are several infrastructural facilities which supplement the development of agriculture. Among them, the existence of regulated market to facilitate the organised marketing of agricultural produces plays an important role. Much before the introduction of regulated markets for agricultural produces, the farmers used to sell their produces in the local *shandy* directly or through commission agents or *dalals*. Most of the farmers used to sell their produces soon after the harvest in distress situations of falling prices and necessity for money. This kind of distress sale and un-regulated marketing was subjected to many types of exploitations like improper weighing and measuring, unauthorised deductions, delay in making payment, absence of determination of prices of produces based on quality or standard, concealed or fraudulent methods of transactions among the merchants and increased number of middlemen etc. Considering all these hindrances, the Royal Commission on Agriculture had reported in 1928 the need for establishment of Regulated Markets for agricultural produces and also keeping in view of the critical conditions of the peasantry in the state. Thus for the first time, the Hyderabad Agricultural Market Act 1930 was introduced. It was the first piece of legislation in the whole country that dealt with agricultural marketing in a comprehensive manner. Earlier to this, in 1927, the Bombay Government had introduced an Act to regulate marketing of cotton only. To administer the Act, the Government of Hyderabad started a separate department of marketing of agricultural produces in 1935.

The Act of 1930 had incorporated suitable provisions to control commission agents or *dalals* and other market functionaries. Markets were identified and local produces were regulated. For the services rendered by the commission agents, the rate of commission was fixed and the maximum reduction in prices for produces below the standard quality was fixed. As per the provisions of 1930 Act, a regulated market for Gulbarga came into being in 1940, followed by similar markets at Sedam and Yadgiri in 1947. By 1951 six new markets were established in the district.

Agricultural Produce Marketing (Regulation) Act, 1966

After the formation of the new state, in order to ensure better marketing facilities for agricultural produces, a more comprehensive and uniform legislation, applicable to the entire state known as the Karnataka Agricultural Produce Marketing (Regulation) Act, 1966, was enacted and brought into effect. To administer the regulated markets in the district, the office of the Asst. Director of Agricultural Marketing was opened in Gulbarga. The department administers the provisions of the above Act including other Acts viz., Karnataka Warehouse Act 1961 and Agricultural Produce (Grading and Marketing) Act, 1937 (Central Act). The main sources of income of the market committee are market fee and licence fee. The maximum market fee payable by the purchaser is one rupee for goods worth Rs. one hundred. The Act has made a provision for the constitution of market committee, and elected body, which controls the marketing activities in the market yard and there is a provision for mobilising market development fund to be utilised for the development and to meet all expenses. The latest elections to the market committees in the district were held in May 1997 and the committees were reconstituted. Each committee comprises 15 elected members and three nominated members by the government belonging to backward class and minorities. The term of office of the members is five years and the Chairman of the committee shall be from agriculturist constituency only.

Notified Commodities

The present comprehensive definition of a notified commodity includes cattle, hen, processed or unprocessed agricultural produces and produces of horticulture, animal husbandry, fisheries, forest products and any other agricultural produces of the concerned area notified by the government from time to time. Generally, after conducting the survey in the market area about the agricultural produces grown or assembled, are declared as notified commodities and marketing of them is brought under regulation. Recently, marketing of cattle is brought under the regulation. For every cattle brought for sale, market fees at the rate of Rs. five is collected. As per the latest report (1996), a large number of agricultural produces numbering 71 are declared notified commodities for Gulbarga market, whereas, 45 including cattle are declared notified for Yadgiri, Surapur and Chitapur markets. There are about 8-10 commodities notified for the market of Sedam and Shahapur.

Particulars of Regulated Markets (APMCs) in Gulbarga district is indicated in Table 6.16

Sl. No.	Main Markets and Date of establishment	Sub-markets and year of Establishment
1	APMC, Gulbarga - 19.03.1940	Aland 1971, Jevargi 1978, Afzalpur 1978, Deval Ganagapur 1979, Kamalapur 1989, Yedrami 1989, Madanhippargi 1989
2	APMC, Yadgiri - 11.09.1947	Saidapur-1951, Gurumatkal - 1971
3	APMC, Surapur - 11.08.1951	Hunasagi - 1977, Kembhavi - 1977, Khanapur S.H. 1985
4	APMC, Chitapur - 22.08.1951	Shahabad - 1951, Nalwar - 1951
5	APMC, Sedam - 09.09.1947	Malkhed- 1970, Chincholi - 1971, Mudhol- 1985, Sulepet - 1989
6	APMC, Shahapur- 10.08.1951	Gogi - 1953, Sagara - 1977

Till 1992, Saidapur, Shahabad and Nalwar market committees were independent APMCs. In 92-93, they were declared sub-markets and Saidapur was attached to Yadgiri, Shahabad and Nalwar were attached to Chitapur main markets.

Details of income and expenditure of APMCs in Gulbarga district for some years is given in table 6.17

Table 6.17 : Details of Income and Expenditure of APMCs in Gulbarga District

(amount in lakhs)

Name of the APMC	1984-85		1989-90		1994-95	
	Income	Expenditure	Income	Expenditure	Income	Expenditure
Gulbarga	25.55	15.76	52.98	28.81	75.68	43.51
Yadgiri	6.99	7.69	14.71	14.84	40.67	21.02
Surapur	3.97	3.02	13.97	6.11	20.29	11.43
Chitapur	2.44	1.45	3.95	2.26	19.84	9.20
Sedam	-	-	5.93	3.72	15.11	8.98
Shahapur	3.08	1.95	3.03	2.22	4.74	2.25

Source: Reports of APMCs

Market Development Plans

In recent years, the government has evinced keen interest for the development of regulated markets by providing basic infrastructure in the markets in addition to providing certain basic facilities to the farmers and market functionaries like merchants, commission agents and purchasers. These developmental programmes are undertaken with the financial assistance of the Central Government, World Bank and also from Market Development funds. Some selected market committees are extending advance credit facilities to farmers for a period of three months upto Rs.50,000 on the pledge of selected agricultural produces. This facility is available in the markets of Gulbarga, Yadgiri and Surapur on the pledge of produces like tur, jowar, gram, cotton, groundnut and sunflower only. The market functionaries like hamals and weighmen are covered under group insurance social security scheme upto Rs.25,000 in case of death. The scheme was introduced in 1996.

Shandies (Santhe)

Shandies (weekly market or bazaar) happen to be prominent centres of commercial activities and have been in existence for centuries and continue to exist even now. In the ancient and medieval period, the *shandy* was the chief centre for trading activities. The details about the different kinds of traders as mentioned in the inscriptions of this region are already explained. In those days, in *shandies*, goods were sold by means of weighing, measuring and counting as being done now. For weighing, instruments like balance, *benaka* (weighing stone) were used. Some commodities were measured by the measures like *balla*, *solasa*, *solige*, *addana*, *giddana*, *kolaga*, while some goods were measured by adopting hand measure i.e. (enough to hold by hand) or by hand countings. The government used to organise *shandies* in villages that developed into small towns in order to cater to the local needs of the merchants. In order to organise and supervise *shandies* an officer called *pattanashetty* was appointed. *Shandies* were managed by the village head the *Gouda*, *Mahaprabhu*, and merchants together. Number of inscriptions of this district give details of *shandies*, facilities provided to merchants for organising such *shandies* and management of *shandies* etc. In addition to general *shandies*, there used to be a special kind of *shandy* called *Dharma Santhe* where no tax was levied. An inscription of Sedam (1138 AD) makes a mention about various taxes levied in *shandies*. In general, tax was levied for head load and cart load separately, which was called *Santheya sunka*, *Santheya aaya*, *Santheya aadaya*, *Sthalabanda*, *Olawaru* and *Olasunka* etc. Goods and money were also collected from merchants on *shandy day* which was called as *pasige* and such collection was used for maintenance of free boarding for students at *mutts*. Tax was collected from permanent shops of merchants which was called *angadiya aaya*, *angadidere* as mentioned in the inscriptions of this region. The tax paid while crossing the river was called *Nadiya bheema*.

In the Sagarnaadu (part of Gulbarga district's Surpur area) when Venkatappa Nayaka II was ruling (1774-1802), his minister Nisti Veerappa introduced *octroi* on goods brought for marketing to Surapur. Accordingly, for a mond of vegetables, the *octroi* was four *seers*. Of this, one *seer* was for the Government, another *seer* to *pattanashetty*, who managed the *shandy*, one *seer* for a *Taldar* and the remaining one *seer* was meant for security organisation (*chorgasti*) against theft etc. The entry tax for a load for packed animal (oxen) for fruits like banana, lemon, etc. was 100 fruits, which was to be distributed equally among the four agencies mentioned above. In case jowar and other grains for the

entry to Surapur market for a load of pack animal was six *seers* which was to be the share of government only. In respect of grocery (*kirani*) items like sugar, areca, dates etc., the *octroi* payable to government only was Rs.12 for a load of an ox. In case of death of cattle in Surapur town (capital city), the meat was to be given to Harijanas, and skin of the dead animal to Government, whereas in rural area, the skin was to be given to the Madigas (cobblers).

Generally, a large number of small growers and producers keep their goods or produces for sale in a *shandy*. Recently, the *shandies* are found very useful as assembling centres specially in case of foodgrains for big merchants and their agents. In the weekly markets, vendors like petty traders, pedlars, hawkers, pavement shop keepers, second hand goods sellers etc., keep their goods for sale and these *shandies* are found useful for poor and the middle class people to get their day-to-day requirements. There will be a great demand for the vegetables grown in the neighbourhood on the *shandy* day. Generally, a *shandy* is held on a particular day said to be auspicious to the local *gramadevata* or main deity of the village. Now-a-days, they are held or organised by the local authorities and the regulated market committees of the place. In addition to *Shandies*, brisk trading activities take place during the time of local *jatras* and *urus*, wherein goods like readymade garments, household utensils, pooja equipments, cosmetics, toys for children, vermilion (*kunkuma*), turmeric powder (*bhandara*), banana, coconut, camphor (aromatic), sugar candy etc. are sold. There will be an exhibition and marketing of cattle on the occasion of important *jatras*. Like *jatras*, the *urus* held in honour of muslim saints, fakirs and the like attract large number of devotees and many of these congregations are examples for communal harmony and brotherhood (see chapter 3 People). As reported there are about fifty places in the district where *jatras* are held. The *urus* are held in about twenty places in the district.

The talukwise list of *shandies* and the day of the *shandy* in Gulbarga district are given here under:

Gulbarga taluk : Gulbarga (Saturday), Sonth (Friday), Kamalapur (Sunday), Naguru (Thursday), Harsur (Wednesday), Farhatabad (Sunday) and Mahagaon (Sunday).

Afzalpur taluk : Afzalpur (Monday), Aatnoor (Wednesday), Deval Ganagapur (Thursday), Gobbur (Monday), Mannur (Sunday) and Mashal (Sunday)

Jevargi taluk : Jevargi (B) (Tuesday), Yedrami (Monday), Malli (Friday), Ijeri (Wednesday), Bilwar (Thursday), Nelogi (Saturday) and Aralagundgi (Thursday).

Aland taluk : Aland (Thursday), Khajuri (Monday), Belamagi (Monday), Nimbergi (Wednesday), Tadkal (Tuesday), Kadaganchi (Tuesday), Korhalli (Monday), Narona (Friday), V.K.Salgara (Wednesday), Chinchansur (Friday), Ambalgi (Saturday), Madan Hippargi (Tuesday).

Yadgiri taluk : Yadgiri (Tuesday), Gurumatkal (Monday), Saidapur (Thursday)

Surapur taluk : Rangampet (Friday), Hunasagi (Sunday), Kembhavi (Monday), Kakkera (Wednesday), Rajankolur (Friday), Kodekal (Tuesday) and Narayanapur (Sunday)

Chitapur : Chitapur (Wednesday), Shahabad (Sunday), Nalwar (Monday), Wadi (Thursday), Kollur (Sunday)

Sedam taluk : Mudhol (Wednesday), Kolkunda (Friday), Malkhed (Tuesday), Kodla (Sunday) and Sedam (Sunday)

Chincholi taluk : Nidgundi (Saturday), Sulepet (Friday), Chincholi (Wednesday), Kondavaram (Sunday), Ratakal (Saturday), Chandankeri (Saturday), Chimmanchod (Thursday).

Shahapur taluk : Shahapur (Friday), Gogi (Wednesday), Sagar (Sunday), Doranhalli (Monday), Naikal (Saturday), Hayyala (Sunday), Vandurg (Thursday), Wadgeri (Monday), Chamanal (Sunday) and Tadibidi (Wednesday)

Important Cattle Markets/Jatras

Along with the weekly *shandies*, the cattle markets are also held on the fixed days. Generally, cattle markets are held on large scale after the harvest between Jan-April and before the onset of monsoons. The important cattle market of the district is held at Rangampet (a part of Surapur) for three days from Wednesday. It attracts people from the neighbouring Maharashtra and Andhra States. The other cattle markets of the district include : Gulbarga market held on every Saturday wherein about 5,000 cattle assemble. On the occasion of annual *jatra* of Basavanna devaru of Naganoor of Surapur taluk, a big cattle fair is held during May for three days, which attracts people from Jamkhandi, Jath (Maharashtra) and other places. Weekly cattle markets are held at Yadgiri, Gurumatkal, Hunasagi and Malkhed. At Malkhed on every Tuesday market for bullocks, bulls, cows, buffaloes, goat and sheep etc. is held on a largescale. The places where cattle fairs are held on the occasion of annual *jatras* also include, Sharana Basaveshwara *Jatra* at Gulbarga, Yella Lingeshwar *Jatra* at Kattisangavi, Revana Siddeshwar *Jatra* at Hawalgi, Siddarameshwara *jatra* at Afzalpur, Khaza Mohiddin *Urus* at Ijeri. The Lingeshwara *Jatra* held at Hayyal (B) in January attracts four to six thousand cattle. The Channabasaweshwara *Jatra* of Shahapur held in March attracts a congregation of 8-10 thousand cattle. A cattle fair is also held at Rastapur on the occasion of Shambulingeshwara *jatra*.

Merchants' Associations

Since the district has mercantile population engaged in commercial activities with a good number of professionals, there are merchants associations working in the district. From the beginning, they are found to be very powerful organisations which actively respond to the public causes like education, economic and developmental aspects or other issues pertaining to the district. They actively participate in the formulation of public opinion, drawing attention of the government.

In addition to promoting their common interest these merchants associations also provide guidance for the development of business. They render guidance to the members regarding issues like taxation and other matters including the arbitration services in case of disputes and also arrange for compromise and dissemination of market information and guidance etc. They do undertake and organise cultural activities and social services. Some of these organisations are registered while majority of them are not.

Hyderabad Karnataka Chamber of Commerce and Industries, Gulbarga

Hyderabad Karnataka Chamber of Commerce and Industries Gulbarga was registered in 1966

with a jurisdiction covering the three districts, Gulbarga, Raichur and Bidar. This organisation is affiliated to the Indian Chamber of Commerce and Industries, New Delhi and Karnataka Chamber of Commerce and Industries, Bangalore. In 1980, the organisation had 154 life members and 24 ordinary members. The main objectives of the association are to protect the interest and welfare of the members who are engaged in trade, commerce, industries and production and also to take suitable measures for promotion of these activities. The association also aims at ensuring co-operation and material help among the traders, commercial enterprises, producers and investors (capitalist) so that industries can grow stronger and contribute to the economic development. In 1995, the Chamber had a membership of more than 800 from the three above districts.

WEIGHTS AND MEASURES

During the ancient period, the traditional measures known as *kolaga*, *balla*, *maana*, *solage*, *sattuga*, *padi*, *addana*, *giddana* etc., were in vogue for measuring grains. An inscription from Sedam (1138 A D) makes a mention of *sattuga* a measuring instrument. Another inscription from Hodal (1180 AD) of Aland taluk mention *devamaana*. There used to be *devamaana* and *aramaana* and among the *kolagas* there used to be *devakolaga* and *dharmakolaga*. Among these measuring instruments *kolaga* was the biggest and *haane* or *dala* was the smallest as revealed by the inscriptions. The existence of standard weights and measures and their universal use were considered one of the important contributing factors of commercial prosperity. Like other districts of Karnataka, here also, there were vast variations or diversities in weighing and measuring instruments.

There was a practice of selling the same goods by both weight and measure. The merchants used to purchase the commodity either in terms of weights or measures advantageous to them and again used to sell it by means of weights or measures which were found to be profitable. In the absence of value based relation or ratio between units of weighing instruments and measuring instruments, for a single commodity, in the same market, caused confusion in exchange value between these two i.e., measuring and weighing units, and lead to a type of exploitation of consumers specially innocent farmers. There was another confusion in names because both the weighing and measuring units were called by similar names i.e. 'seer'. At several places in urban and rural centres, and centres of collection of grains, there used to be a big variation in similar weights and measures. In order to overcome these defects, for the first time, in the Hyderabad state as early as in 1886, a Regulation known as *Dastur-Ul-Amal* was enacted through which efforts were made to introduce standard weights and measures. Even then the old system continued. Many a time, even in the use of standard weights and measures growers were exploited due to the tricks or malpractices adopted by the weighmen and measurers and use of sub-standard weighing stones etc. This situation continued for a long period. In order to eliminate the above defects, the Hyderabad Weights and Measures Act 1946 was passed and implemented from the 1st March 1950. This old act remained in force till the Metric System was introduced in the district. The bullion transaction in the district was being done through the *tola*, *vala*, and *rathi* as units of weight. One *tola* of gold weighed 180 grains.

The traders in the area followed two kinds of weights, the seer and tola weights, and the pound weights. Any trader found using false weights was punishable under the law. A *seer* was equal to 80 *tolas* and *maund* was equal to 40 *seers*. A *masa* was 1/12 of a *tola* while *chataku* was 1/16 of a *seru*.

A *palla* was equal to three *maunds* and 20 *maunds* were equal to one *khanduga*. The traders in goods like coffee, tea, tobacco and condiments followed the pound weights in preference to the traditional *tola* weights. The dealers in cotton, cloth, coal, coke and metals followed the pound weights. In whole-sale markets with a fairly high turnover, all foodgrains were determined in terms of tonnes for export trade. A *seer* was the unit of measure. A *maund* was equal to 40 *seers* and *palla* was equal to 120 *seers*. The multiples of half a *seer* and one fourth *seer* were also used. In the daily transactions of retail bazaar, the *chataak*, the *adholi* and the *payalis* were also used. The *chataak* was equal to 1/16 of a *seer* while *adholi* was equal to two *seers* and *payali* was equal to four *seers*.

Liquids like petrol and kerosene were measured by the Imperial gallon, where a pint was determined as 1/8 of a gallon. In the bars and liquor shops, the peg and the dram were accepted standards. The standard units of measurement of length and distance used in the district were the same as elsewhere viz., foot, yard, furlong and mile. The area of lands was measured in *guntas*, acres and *koorige*. One *gunta* was equal to 120 square yards and one acre was equal to 4,480 square yards. Since the central government decided to introduce the metric system of weights and measures applicable to the entire country, the Karnataka Weights and Measures (Enforcement) Act, 1958 was brought into force from the 1st June 1960 for the entire state. Initially the system was introduced only in Bangalore, Raichur and Dharwad districts including all regulated market areas, industrial organisations and factories. Later, from the 1st April 1960, the act was made applicable to other areas also. Thereafter, from the 1st April 1962, it was made mandatory in the state.

Before the introduction of the Karnataka Act of 1958, the weights and measures used in Gulbarga district were those prescribed by the Hyderabad Weights and Measures Act 1946, which had come into force in the area from the 1st March 1950. Before the reorganisation of the state (1956), the district was part of Hyderabad state. Hence weights and measures applicable to textile, trade and commerce and industries were governed by the Act of 1946. After the reorganisation of the state, the administrations of the provisions of the Act were entrusted to the Marketing Department. Till the compulsory introduction of 1958 Weights and Measures Act, the earlier Hyderabad Act of 1946 was in force in Gulbarga district.

The department of Weights and Measures which was an indivisible part of the marketing department was separated in 1976 and an independent department of Weights and Measures was formed. Since 1990, the department has been renamed as Department of Legal Metrology. To administer the activities of the department in the district of Gulbarga, the office of the Assistant Controller of Legal Metrology was opened in 1976. Offices of the Inspectors of Legal Metrology were opened in 1958 at Gulbarga and Yadgiri. Since 1992, there is an office of the inspector for verification and stamping of auto and taxi meters functioning at Gulbarga. The main functional activities of the Legal Metrology department include administering the various provisions of the Act and Rules in respect of verification of the existing weighing and measuring instruments, stamping them and taking appropriate legal action against those who contravene the provision of the Act and Rules. The department also enforces the Standards of Weights and Measures (packaged commodities) Rule 1977, which mainly contemplates on protecting the interests of consumers. The Rule makes it mandatory for every manufacturer or packer of commodities to print legibly, boldly and conspicuously certain statutory declaration like the 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 the consumers.

As per the information of the Assistant Controller of the department of Legal Metrology of Gulbarga district, the district had 502 industrial establishments, 18 Central and the State Government establishments, 44 petrol pumps, 9,450 traders and 958 auto and taxi meters coming under the purview of the department in 1994-95.

The table 6.18 given below indicates the details about the weights and measures, weighing and measuring instruments coming under the purview of the department for some recent years in Gulbarga district.

Table 6.18 : Details About the Weights and Measures

Particulars	Year			
	1991-92	1992-93	1993-94	1994-95
1. Weights	73,785	68,978	57,577	64,398
2. Measures	44,680	52,744	30,683	33,893
3. Weighing instruments	17,366	20,689	18,070	12,823
4. Measuring instruments	356	1,044	953	74

The progress of the department from 1992-93 to 1994-95 is given in table 6.19

Table 6.19 : Progress of the Department

Particulars	Year		
	1992-93	1993-94	1994-95
1. Stamping fees (Rs.)	5,50,158	5,50,392	5,99,532
2. No. of cases booked for contravening the provisions of the rules	569	599	709
3. Cases decided at Departmental Enquiry	514	460	509
4. Fine realised (Rs.)	1,02,105	1,07,060	1,11,436
5. No. cases referred to court	58	76	45
6. Fines imposed by the court (Rs.)	16,205	14,405	13,530

FOOD AND CIVIL SUPPLIES

Based on the factors like demand and supply in respect of essential commodities to ensure their proper distribution, the government have introduced from time to time, a number of regulations in order to regulate the supply of essential commodities, specially food grains which were brought

under the rationing system during the IIInd World War period (1939-45) and thereafter for many years, in order to arrest the rising prices and to control inflation, black marketing and hoarding etc. During the same period (after the war) the rationing department under the control of the District Collector was started temporarily and was continued from time to time. From 1954 onwards, rationing of foodgrains was completely withdrawn. Regulations on essential commodities and their distribution etc. were entrusted to the Deputy Commissioner of the district and the Tahasildars. Under the Essential Commodities Act, 1965, the Central and State Governments have formulated as many as 28 different orders from time to time.

Public Distribution

After the reorganisation of the state, in Gulbarga district, for the first time, statutory rationing was introduced in 1965, and there were 585 fair price shops. In 1978, informal rationing system was made applicable to all cities and towns in the state with a population of 40,000 and above. In this district, it was introduced from May 1985. In the beginning, it was introduced in Gulbarga city, later on, extended to Yadgir, Shahabad, Wadi and Gurumatkal towns. In rural areas if the annual income of the family is less than Rs.6400, green card system and if the income exceeds Rs.6400, saffron coloured card system were introduced. Green card holders were supplied jowar, wheat and rice at subsidised rates upto a certain fixed quantity. Recently, photo cards system has been introduced in urban centres, where poor families (whose annual income was limited to Rs.11,850) and families of below the poverty line are covered under this scheme. In this district during 1989-90, there were 2.04 lakh green card and 1.46 lakh saffron card holders. During 1994-95, the total number of ration card holders was 5.45 lakh and of them 3.21 lakh were green card holders, 1.28 lakh saffron card holders and the remaining 96,000 were general card holders. The district had 1,193 fair price shops in 1992-93 as against 864 in 1989-90 and 1,231 in 1994-95. Of the 1,231 shops in 1994-95, 847 were managed by the individuals, 217 by the co-operatives, and the rest 165 by other associations, and two were managed by the department.

WAREHOUSING

To suit the prevailing local conditions and climate, different individual methods of conserving foodgrains till the next season have been adopted by the agriculturists and merchants from the beginning. In ancient times, when the barter system of exchange was in vogue, the village temples used to have common warehouses which were serving as public warehouses. When the land revenue was collected in kind, and also in order to store foodgrains to meet the requirements of the army, public warehouses were utilised for storage. In Gulbarga district peasants even now use what is known as *hagevu* (underground deep pits) and wooden boxes for the storage of food grains.

In spite of the strong recommendations made by the Royal Commission on Agriculture (1928), and also All India Rural Credit Survey Committee 1954, the public warehousing system came into being only in the next decade of 1950. The public warehouses were set up by the Central and State agencies under the provisions of the Agricultural Produce (Development of Warehouses) Corporation Act 1956, replaced by the Warehousing Corporation Act, 1962, by the establishment of the Central and State Warehousing Corporations. At present nearly 200 different commodities or goods are accepted for storage.

The details of state warehouses in Gulbarga district is given in table 6.20

Table 6.20 : State Warehouses in Gulbarga District

Warehousing Centre	Date of Opening	Storage capacity			NGRG Stores	Cost of Construction (approx.in lakhs of Rs)
		Own godowns (MTS)	Hired (MTS)	Total as on 31.12.95		
Gulbarga	1.1.1991	-	6,100	6,100	-	-
Yadgir	15.4.1960	1,000	1,350	2,350	1,000	4.16
Shahabad	11.1.1970	1,000	730	1,730	1,000	5.50
Shahapur	16.11.1982	-	636	636	-	-
Surpur	18.4.1985	1,000	-	1,000	1,000	6.96
Jevargi	7.5.1984	1,000	585	1,585	1,000	7.00
Chittapur	1.1.1993	-	940	940	-	-

Central Warehousing Corporation (Central Government undertaking)

The Central Warehousing Corporation opened its first Warehouse in Gulbarga city, in December 1960 and the second Warehouse in June 1963. The third godown in the district was opened at Sedam in January 1980. The individual storage capacity of these warehouses in 1994-95 was 11,157, 10,900 and 3,833 Mts respectively.

CONSUMER PROTECTION BOARD

In the present day of consumer oriented nature of commerce, the consumer is considered to be the most important. However, the complexity of the present commercial activities have made him to suffer or he is subjected to exploitation by various agencies like merchants, distributors and middlemen including the government and quasi government and other agencies. However, the consumer is expected to be educated, enlightened and diligent in his dealings with the market functionaries.

In order to prevent consumers from various types of exploitation and to make them aware of their rights and also improve the quality of commercial services rendered to customers by the merchants or agencies, the Central Government enacted a legislation known as the Consumer Protection Act, 1986. The Divisional level Consumer Forums were established first, and later in 1991, the district level Consumer Grievances Redressal Forums were established. These forums are considered quasi judicial agencies and the consumers need not pay any fee to the forum. Of late, these forums have become very popular judicial bodies. (See chapter X for details).