

## CHAPTER VI

### BANKING, TRADE AND COMMERCE

#### PART A—BANKING AND FINANCE

#### Indigenous Banking

**M**UCH is not known in detail about the indigenous banking system that prevailed in the district in the old days. However, credit facilities for the pursuit and improvement of agriculture, trade and commerce were not unknown in the old days although it is not possible to say how exactly money was advanced for pursuits like trade and commerce. As for farmers, who formed the bulk of the rural population, they were obligated to middle-men and small capitalists, who supplied the required credit on specified rates of interest, which were, of course, very high. The small capitalists used to obtain undue advantages in these transactions on account of the absence of any set of laws or rules governing such transactions in those days. Very often, the cultivators had to engage in their agricultural pursuits on capital borrowed from these village bankers on securities of their lands and other immovable properties and personal jewels. In every village, there were at least three to four bankers, whom the local population knew well.

This village banker or money-lender, who had a thorough knowledge of the local population and their properties and other assets, readily advanced money at specified rates of interest and went to the very doors of the debtors to get back his principal and the interest. Those who were unable to pay back the debt, had to often lose their securities. As most of the cultivators were illiterate, they often fell an easy prey to the machinations of the money-lenders, many of whom traded with their capital rather unscrupulously. There were also a few big money-lenders residing in towns who also advanced money readily to the needy cultivators and recovered the same with interest by a process of demand, pressure and coercion. They went from place to place, acquired as large a quantity of foodgrains as possible and stored

them in godowns. As the prices went up in periods of scarcity, they disposed of their hoarded grains for higher prices.

During the days of the Vijayanagara viceroys, the Government advanced money to the cultivators to help them to obtain cattle, agricultural implements and other means so that they might bring more waste-land under cultivation. The Government of the day also encouraged the cultivation or production of various articles of commerce in demand by providing the first expenses, seeds, plants and the like. But later, when internal dissensions and calamitous wars broke out, this healthy system of government helping the farmers declined and the money-lenders again came to the fore and reaped a rich harvest. The profession of money-lending became popular in the rural areas because those who needed money got it without much trouble on the basis of confidence between the parties. These loans were discharged either in lumpsum or in instalments. The charging of compound interest was the order of the day.

Banking in the modern sense started in the district in 1918, when the Mysore Bank (now the State Bank of Mysore) established its branch at Oorgaum. This was the first joint stock banking institution to be established in the district. But prior to that, there were large accumulations of unused capital, which did not sufficiently flow into fruitful channels. At the same time, there was a large body of agriculturists suffering from a chronic inability to raise funds required by them for the expansion of their agricultural pursuits. In 1894, the then Dewan, Sri K. Seshadri Iyer, addressing the members of the Mysore Representative Assembly pinpointed this fact when he said that the ordinary cultivator was unable to get any credit except at usurious rates of interest. This wide gulf representing capital from want had to be bridged and the Government set itself to solving the problem. Taking a cue from some other countries which were experimenting on the mode of reorganisation of land credit by interposing an intermediate body such as Land Credit Banks, a scheme was formulated by the Government. **Early modern period**

The features of this scheme related only to banks which advanced loans on the security of arable land. The object of starting such banks was to provide cheap credit. The scheme envisaged no share capital, the funds required for the bank being obtained by means of loans raised or deposits received. Such Land Credit Banks were working in all parts of the State including Kolar. Subsequently, the scheme of introducing more such banks fell through, because of default and non-adherence to the Articles of Association. In 1910-11, the number of these banks dwindled to only two. In the meanwhile, the co-operative movement had

been started and unlike the Agricultural Credit Banks, the Co-operative Banks showed considerable vitality. Towards the close of the First World War, it was made clear to the people that the word 'capital' was defined as the accumulated difference between the income and expenditure of individuals that resulted in saving. This saving was made to increase steadily. The steady increase in individual or the State's saving and its proper canalisation was the basis of modern banking.

The people of the district, by then, had all the facilities to put their savings in the Mysore Government Savings Banks, the Post Office Savings Banks and the branch of the Mysore Bank Ltd., established at Oorgaum. The Mysore Bank, which owed its existence to the efforts of Dr. M. Visvesvaraya, began to expand its activities and by 1945 had branches at Bangarpet, Chintamani, Chikballapur and Kolar, in addition to the one already functioning at Oorgaum.

Even prior to the starting of these organised banks, the investment consciousness of the people of the district was clearly perceptible in the organisation of the Kolar District Board Railway for which, till the end of 1913-14, a sum of Rs. 3,94,600 had been subscribed. The later developments in banking have infused a new outlook both in agricultural and industrial fields. The vast expansion of banking credit and the starting of branches in a phased manner have laid the firm foundation for a better economic outlook.

#### Money-lending

Agricultural pursuits present an ever-increasing need for credit and the cultivators have always found it necessary to borrow for meeting expenses to improve farming and also for maintaining family expenses. The practice of getting loans at usurious rates of interest resulting in heavy indebtedness was a common feature in both rural and urban areas. The only source from which money was obtained was through private money-lenders who, as a rule, charged exorbitant rates of interest. The burden of paying interest had deprived many agriculturists of their lands and had forced them to follow other pursuits. Lack of adequate seasonal rains and the consequent withering of crops in successive years at times, old and conservative methods of farming and the abnormal increase in the cost of essential commodities had all contributed to the increasing rural indebtedness.

In the district of Kolar, private money-lenders and professional financiers had spread themselves in all parts. They were concentrated particularly in regions where the cultivators were in need of money and, by a method of their own, often exploited the ignorance of the cultivators and the urgency of their want. Loans were advanced on immovable properties like land and buildings.

The State has, from time to time, taken prompt measures to afford credit facilities to the cultivating class so as to free them from the clutches of these money-lenders. The formation of agricultural co-operative credit institutions has, to some extent, checked the exploitation. The role of these co-operative credit societies has been dealt with separately. With a view to checking the baneful effects of indebtedness and to save the cultivating class from the clutches of money-lenders, a legislative enactment called the Mysore Money-Lenders Act was passed in 1939 which brought all classes of money-lenders into the statutory orbit. The Act imposed several restrictions on the activities of the money-lenders, which were now controlled by registrations and licences. Their rates of interest were regulated. Proper accounts were required to be maintained for inspection. The Act stipulated certain penalties for infringement. The introduction of the Money-Lenders Act, 1939, and the promulgation of the Agriculturists' Debt Relief Act and the setting up of Debt Conciliation Boards in specified areas produced some salutary effects, but could not completely eliminate some of the evil practices. The simple mortgages declined in number and mortgages with possession and conditional sale became the order of the day. The rates of interest actually recovered through these transactions were higher than those mentioned in the deeds, and therefore, the legislative enactments to check the spread of the evil stood circumvented to a certain extent.

**Control of  
money-  
lending**

The Mysore Money-Lenders Act, 1939, prescribed 9 per cent interest on secured loans and 12 per cent on unsecured loans. But in actual practice, many a time higher rates of interest were charged. The Act noted certain types of money-lenders such as those who advanced loans on mortgages of movable and immovable properties and those who advanced money on promissory notes and money bonds. Money advanced on hypothecation of crops also came under money-lending. Under the provisions of this Act, the Deputy Commissioner of the district was made the statutory authority for licensing and regulating money-lending in the district. This Act was amended by the Acts 14 of 1955 and 1 of 1956 to suit the needs of the situation.

**Money-  
Lenders  
Acts**

There was, however, a persistent demand by the public to enact a new comprehensive and uniform measure for the new Mysore State to suit the present needs. Accordingly, the Mysore Money-Lenders Act, 1961 (Mysore Act 12 of 1962), was enacted and it was brought into force throughout the State in 1965. Under this new measure, the Registrar of Co-operative Societies in Mysore, Bangalore, was appointed as the *ex-officio* Registrar-General of Money-Lending, having jurisdiction over the entire State. The rules framed under the Act have empowered the Deputy/Assistant Registrars in the districts to control the money-lending transactions. They have been in turn designated as *ex-*

*officio* Registrars of Money-Lending. The Act totally prohibits money-lending without a valid licence. By a notification issued under the Act in July 1965, the Government have fixed the maximum rate of interest permissible on secured loans at 15 per cent and on unsecured loans at 18 per cent.

Agriculturists have now many protective laws to their advantage. The Government are giving loans at low rates of interest for land improvement, irrigation, etc., with the aim of improving the lot of the agricultural population.

According to the 1961 Census, there were 325 money-lenders and pawn-brokers in the district. It is not possible to assess precisely the extent of monetary transactions of private money-lenders, licensed or unlicensed. This is due to various transactions like mortgages or advances on promissory notes and money-bonds which are not usually registered. It can be stated in this connection that despite the various credit facilities afforded by the State, the influence of private money-lenders on the poorer classes of the rural population is still considerable. The reason for this is not far to seek. The various procedural formalities for obtaining loans through co-operatives, banks and the departments of Government cause some delay and naturally many cultivators still go to private money-lenders from whom they can obtain their loan requirements with ease.

**General  
Indebtedness**

A noticeable feature of the economic life of the workers, industrial and agricultural, in the district of Kolar is that they are generally indebted. The Royal Commission on Labour has said that "Among the causes responsible for the low standard of living of the workers, indebtedness must be given a high place". The Commission further remarked: "Many indeed are born in debt and it evokes both admiration and regret to find how commonly a son assumes responsibility for the father's debt, an obligation which rests on religious and social but seldom on legal sanction". Thus, according to the Commission, a majority of the workers in the country are in debt for the greater part of their working lives, and the people of the district of Kolar are no exception.

**Extent of  
Indebtedness**

In the industrial centres of the district like Kolar Gold Fields, Kolar, Sidlaghatta and Chikballapur, a considerable part of the labour population is found to be in debt. A systematic inquiry is necessary to have a clear idea about the extent of indebtedness amongst the workers. Often, there is the workers' hesitation to disclose their real economic position to the investigating staff which would come in the way of such a study. Moreover, the worker himself, in many cases, may have no precise idea of the extent of his debt. No detailed survey has been conducted in

\* Report of the Royal Commission on Labour, p. 224.

the district to assess the exact extent of indebtedness. But, however, an economic survey of selected villages of the district of Kolar was conducted by the census authorities in 1941. The survey was based on the random sampling method and it revealed, among other things, the extent of indebtedness in the district at that time. Thirty-four villages, in all, in the different taluks of the district were selected for the survey.

The following table indicates the extent of indebtedness, as revealed by the survey, in those villages :—

Sl. No.	Taluk	Name of the village selected for the survey	Total No. of families in the villages	No. of families in debt	Total debt in Rs.
1.	Kolar	1. Doddahasala	67	42	3,113
		2. Kembodi	70	17	3,024
		3. Vokkaleri	265	117	13,582
2.	Mulbagal	4. Sonnavadi	80	36	5,196
		5. Kothamangala	106	69	5,075
		6. Nangli	446	239	66,406
		7. Agara	244	151	22,893
3.	Srinivasapur	8. Kallur	96	64	15,596
		9. Yachanapally	67	39	12,480
		10. Lakshmipura	159	73	19,607
4.	Chintamani	11. Kagathi	153	62	7,245
		12. Kaivara	347	239	40,036
		13. Kotagal	106	70	4,365
		14. Burudagunte	194	13	1,553
5.	Sidlaghatta	15. Anur	90	30	2,850
		16. Basettihalli	127	58	10,954
		17. Venkatapura	85	43	9,196
6.	Bagepalli	18. Malakacheruvu	24	19	2,476
		19. Pathakote	54	39	5,663
7.	Gudibanda	20. Pulasanivaddu	19	19	3,965
		21. Somenahalli	140	57	7,558
8.	Gauribidanur	22. Udumalodu	25	10	1,195
		23. Gowdasandra	57	33	2,721
		24. Sabbanahally	41	36	2,103
9.	Chikballapur	25. Thippenahally	162	74	5,597
		26. Kethanahally	112	46	3,730
		27. Thirunahally	64	30	3,016
10.	Malur	28. Santhehally	64	19	1,649
		29. Hunganahally	81	46	2,696
		30. Jayamangala	94	60	5,197
		31. Thrinasi	56	39	4,839
11.	Bangarpet	32. Hulibele	128	89	5,530
		33. Gennerahalli	57	13	975
		34. Doddavalagamadi	124	74	6,650

Source :—Economic Survey of Selected Villages—Kolar District, Mysore Census, 1941.

It will be seen from the above table that a majority of the families were in debt, roughly three-fourths of the total number of families in the rural parts being in debt.

**Vokkaleri  
Village  
Survey**

Again, as a part of the 1961 census, another village survey was conducted by the census authorities in respect of Vokkaleri village in Kolar taluk, which is a typical and representative village in the district. The Village Survey Monograph on Vokkaleri, published in 1965, gives a clear picture of the present extent of rural indebtedness in the area. According to the survey, the village money-lenders still continue to be one of the sources of finance to the agriculturists, especially the small cultivators. However, it may be said that with the gradual spread of the co-operative movement and the establishment of agricultural co-operative credit societies and land development banks, the sway held by the money-lenders over the cultivating classes is bound to decline considerably ere long.

The survey revealed that of the 342 households in the village, 196 households or about 57 per cent had a total debt of Rs. 1,68,636 which, on an average, worked out to Rs. 860 per household, the *per capita* debt being Rs. 88.43. (In 1941, the village had 265 families, of which 117 families had been indebted to an extent of Rs. 13,582). The subjoined table shows particulars of indebtedness by income groups :—

Income Group (Monthly)	Total No. of households	No. of households indebted	Amount of debt	Percentage of Col. 3 to Col. 2	Average indebted- ness per household	
					Rs.	P.
Rs. 25 and below ..	63	15	4,530	23.81	302—00	
Rs. 26 to Rs. 50 ..	110	64	25,674	58.18	401—16	
Rs. 51 to Rs. 75 ..	54	34	18,784	62.97	552—47	
Rs. 76 to Rs. 100 ..	36	25	21,196	69.45	847—84	
Rs. 101 and above ..	79	58	98,452	73.42	1,697—44	
Total ..	342	196	1,68,636	..	..	

It is seen from the above table that the percentage of the number of households indebted has increased with the increase in income and likewise, the average indebtedness for each household in debt has also increased with the increase in income. Whereas in the income-group of Rs. 25 and below per month, 23.81 per cent of the total number of households in that group was indebted and the average indebtedness per household in debt was Rs. 302, the percentage of indebted families to the total number of households in the next higher income group of Rs. 26 to Rs. 50 per

month was 58.18 per cent and the average indebtedness per household in that group was Rs. 401.16. Thus the indebtedness has gone on increasing with the increase in income and has reached the maximum of 73.42 per cent of the total number of households and Rs. 1,697.44 as the average per household in the income group of Rs. 100 and above. One of the reasons for this position is that the persons with means borrow more as they have sufficient security to offer and are confident of repaying the debt in due course.

The subjoined table indicates the various causes of rural indebtedness, *i.e.*, the causes for which the debts were incurred :—

Cause	Indebtedness by causes of debts		
	Amount of debt (Rs.)	No. of families in debt	Percentage of debt to total amount of debt
1	2	3	4
Land Improvement .. ..	17,668	13	10.47
Well sinking .. ..	12,724	7	7.54
Purchase of land .. ..	28,682	13	17.00
Livestock purchase .. ..	2,033	7	1.21
Irrigation .. ..	5,500	2	3.27
Business run by the household .. ..	5,330	4	3.16
Household cultivation .. ..	2,338	8	1.39
House construction, repairs to existing houses, etc. .. ..	5,300	5	3.15
Machine purchase .. ..	150	1	0.09
Cart purchase .. ..	450	2	0.26
To clear outstanding debts .. ..	7,650	5	4.54
Ordinary wants .. ..	25,888	81	15.35
Marriage .. ..	54,773	65	32.48
Sickness .. ..	150	1	0.09
Total .. ..	1,68,636	214	100.00

The above table reveals that, by and large, the debts were incurred for productive purposes, such as cultivation, irrigation, purchase of land and livestock, etc. Of the borrowings for unproductive purposes, marriage has accounted for the bulk of the debts, followed by ordinary wants. This shows that the villagers find it difficult to give up their old customs and incur debts in observing them. The fact that a sizable proportion of the total loan has been borrowed for meeting the ordinary wants means that small cultivators and persons with limited resources find it difficult to make both ends meet and are therefore driven to debt.

#### Causes of Indebtedness

The causes for rural indebtedness are many. In many cases, the son inherits the debt of his father. But the most important cause of indebtedness is the heavy, though occasional, expenditure on marriages, funerals, festivals and anniversaries. The mobility



or the migratory character of workers is also an important cause of their debt. Another cause of the evil is the want of any margin for meeting expenditure of an unforeseen character. The low wage level cannot, however, be said to be the only cause of indebtedness, because some better paid workers in certain factories and mills in the district are more indebted than the poorly-paid ones. Poverty is sometimes the cause and sometimes the effect of indebtedness and often it is both. It is true in the case of all districts in Mysore State that one of the causes of indebtedness is disproportionate expenditure on social ceremonies. There is a growing tendency to regard such expenditure as mere extravagance, but it has to be remembered that the worker, like any other body, is a part of the social organisation and has perforce to conform to certain customary social standards, even when he is not in a position to do so. In these matters the individual is often helpless because, in the words of the Labour Investigation Committee, "Custom is not only a king but a tyrant as well".

**Evils of  
Indebtedness**

Facile credit has also proved to be a cause for the indebtedness of the workers in the district ; the greatest drawback of the system is the ease with which they can borrow large sums, which they can seldom hope to repay. Their illiteracy makes it very difficult for them to develop any business sense and to think of the future, and their inability to make any calculations compels them to accept whatever figures of increase or decrease in indebtedness are mentioned to them by their money-lenders. The money-lenders do not usually receive the full interest regularly, so they add the arrears of interest to the sum lent, and the original loan of a small sum frequently develops, in a few years, into a large and permanent debt. In many cases, the money-lenders take from the workers and their families the whole of their wages on pay day and give them back only a portion, just sufficient for bare subsistence, and this can particularly be noticed with regard to the workers in different industrial areas of the district. Thus, in the industrial sector of the district's economy, one can find that in some cases indebtedness is acting as a check to the efficiency of labour. The benefit of the extra effort put forth by the indebted workers largely goes to the money-lenders. Thus the statement that "the tyranny of debt degrades the employee and impairs his efficiency" may well be applied to the practical economic life of the workers of the district of Kolar.

However, facilities have been provided by some of the employers in industry to advance money, from the bonus or from the provident fund, in times of emergency, the same being deducted in small instalments from the wages. Successive pieces of legislation have made usurious practices of the money-lenders difficult and their activities are being considerably controlled.

The co-operative movement and the schemes of insurance have also helped the workers.

It is noteworthy that during the last one decade and a half, the borrowings of the cultivators in the district have been mainly from the Land Development Banks, the Government and the Co-operative Societies for sinking irrigation wells, installing pump-sets and developing agriculture, a feature which augurs well for the future of the district.

Banking has been an important activity in the district for the last about five decades and has attracted a considerable amount of capital by way of deposits. With the gradual growth of industry, trade and commerce, more and more banks, all branches of various commercial banks, came to be established in the district in all the important commercial centres. A branch of the Bank of Mysore Ltd., (now the State Bank of Mysore), which is the oldest banking institution in the district, was established at Oorgaum in 1918 so as to serve the needs of the people of the industrial town of Kolar Gold Fields. Since then, the Bank has established eight more branches in the district. The Vysya Bank Ltd., which has its registered office in Bangalore, has also opened five branches in the district, while the Syndicate Bank Ltd., and the Vijaya Bank Ltd., have also opened a branch each. Another bank, *viz.*, the Citizens Bank Ltd., was also functioning in the district at Robertsonpet until recently. It was, however, under members' voluntary liquidation since 1963 and was taken over by the Syndicate Bank Ltd. It was finally dissolved in May 1966. Thus there were, in all, 16 banking offices (other than co-operative banks) in the district during 1966 as shown below :—

**Commercial  
Banks**

<i>Sl. No.</i>	<i>Name of the Bank</i>	<i>Location</i>	<i>Nature of office</i>
1.	State Bank of Mysore	.. Kolar	.. Branch Office
2.	Vijaya Bank, Ltd.	.. Kolar	.. do
3.	State Bank of Mysore	.. Bangarpet	.. do
4.	Vysya Bank, Ltd.	.. Bangarpet	.. do
5.	State Bank of Mysore	.. Chikballapur	.. do
6.	Vysya Bank, Ltd.	.. Chikballapur	.. do
7.	State Bank of Mysore	.. Chintamani	.. do
8.	Vysya Bank, Ltd.	.. Chintamani	.. do
9.	State Bank of Mysore	.. Gauribidanur	.. do
10.	Vysya Bank, Ltd.	.. Gauribidanur	.. do
11.	State Bank of Mysore	.. Mulbagal	.. do
12.	Vysya Bank, Ltd.	.. Mulbagal	.. do
13.	State Bank of Mysore	.. Malur	.. do
14.	State Bank of Mysore	.. Oorgaum	.. do
15.	Syndicate Bank, Ltd.	.. Robertsonpet	.. do
16.	State Bank of Mysore	.. Srinivasapur	.. do

**State Bank of Mysore**

The erstwhile Bank of Mysore Ltd., which was reconstituted into the State Bank of Mysore (a subsidiary of the State Bank of India) and which has its registered office at Bangalore, has nine branches within the confines of Kolar district and they are located, one each at Kolar, Oorgaum, Bangarpet, Chintamani, Chikballapur, Malur, Gauribidanur, Mulbagal and Srinivasapur. Of these, the Oorgaum branch, which was established in 1918 after the termination of the First World War, is the earliest and in 1927, two more branches, one at Kolar and another at Chikballapur, were opened, followed by the Chintamani branch in 1928; and after 17 years, in 1945, the Bangarpet branch was established. Between 1963 and 1966, four more branches were opened at Malur, Gauribidanur, Mulbagal and Srinivasapur. Of these, the first was opened in 1963, the second in 1964, the third in 1965 and the fourth in 1966.

All these banking offices are affording considerable financial facilities to the people, especially the merchants and industrialists, in their respective areas. They are also making steady progress in mobilising rural savings and inculcating the thrift habit among the people. Under the Bank's liberalised scheme of assistance to small-scale industries, amounts aggregating to Rs. 1.79 lakhs were advanced to nine small-scale industrial units in the district. All these branches, except the one at Srinivasapur, which was recently opened, are conducting the treasury business of the Government. The following figures indicate the total deposits and advances of the various branches of the Bank in the district as on 30th June 1966 :—

Sl. No.	Name of Branch	Deposits	Advances
(In lakhs of rupees)			
1.	Oorgaum	54.28	1.67
2.	Kolar	23.76	4.58
3.	Chikballapur	17.41	1.78
4.	Chintamani	11.76	3.20
5.	Bangarpet	7.30	4.94
6.	Malur	6.60	0.24
7.	Gauribidanur	4.30	1.27
8.	Mulbagal	2.35	0.63
9.	Srinivasapur	(Recently opened and hence not available).	

**Vysya Bank Ltd.**

The Vysya Bank Ltd., which was established at Bangalore in 1930, has opened five branches in Kolar district, one each at Chintamani, Bangarpet, Chikballapur, Mulbagal and Gauribidanur. The first two branches, viz., Chintamani and Bangarpet, were established in 1945, while the third and fourth branches, viz.,

Chikballapur and Mulbagal, were started in 1946. The branch at Gauribidanur was opened in 1963. The Bank, apart from providing general banking facilities, also advances finance to trade and commerce. It has also both the cumulative deposit and savings bank deposit schemes. It is one of the important scheduled banks in the State. The total deposits and advances of the five branches of the Bank in the district in November 1966 were Rs. 47.09 lakhs and Rs. 20.61 lakhs, respectively.

The Canara Industrial and Banking Syndicate, now called **Syndicate Bank Ltd.**, was incorporated at Udipi in South Kanara district in 1925. Though started to finance cottage industries, it took up regular commercial banking after three years, and steadily expanded its activities by establishing branches all over. It has its registered office at Manipal in South Kanara district and is one of the important scheduled banks in the country. It opened a branch at Robertsonpet in Kolar district in January 1963 on its taking over the Citizens Bank Ltd. Right from its inception, this branch has been making good progress and has not only mobilised deposits in the town but also has made advances to trade and industry. The small savings schemes of the Bank like the Cumulative Deposit, Pigmy, etc., have become popular, particularly among the middle classes and the workers in the Kolar Gold Mines.

The Vijaya Bank Ltd., which has its registered office at **Vijaya Bank Ltd.** Mangalore, was established in 1931. It opened a branch in Kolar town in July 1963 with the object of mobilising the savings of the people of the area and also with a view to encouraging trade, commerce and industry by granting loans and advances. Among the small savings schemes introduced by the Bank in the district, are the Recurring Deposits Scheme and the *Jeevan Nidhi* Deposits Scheme, with monthly and daily investments. The total deposits and advances of the Bank in the district at the end of December 1966 stood at Rs. 6.24 lakhs and Rs. 3.20 lakhs, respectively.

Apart from these commercial banks, there are several **Co-operative Banks** spread over all the taluks in the district, extending credit facilities to the agriculturists, merchants, artisans and others for various purposes. As at the end of November 1966, there were, in all, 27 co-operative banking institutions in the district consisting of one District Co-operative Central Bank at Kolar, its nine branches and one pay office, one each at Bangarpet, Bagepalli, Chikballapur, Gauribidanur, Srinivaspur, Sidlaghatta, Chintamani, Malur, Mulbagal and Gudibanda (pay office), one District Co-operative Industrial Bank at Kolar, four Urban Co-operative Banks, one each at Kolar, Kolar Gold Fields, Chintamani and Robertsonpet (K. G. F. area) and eleven Co-operative

Land Development Banks, one each at Kolar town, Chintamani, Bangarpet, Chikballapur, Sidlaghatta, Srinivaspur, Gauribidanur, Gudibanda, Bagepalli, Malur and Mulbagal.

**District Co-operative Central Bank Ltd.**

The District Co-operative Central Bank Ltd., Kolar, is the central financing agency of the district for all co-operative credit societies affiliated to it. It also serves as a balancing centre accepting the surplus funds of one society and making them available to another which requires more capital. The funds of the Central Bank consist of share-capital, reserve and other funds, deposits and loans or over-drafts from banks. This Bank was registered on 24th December 1954 and started work on 18th January 1955. The jurisdiction of the bank extends over the entire district with its headquarters at Kolar. The number of members of this bank in 1966-67 was 672, consisting of 671 co-operative societies and the Government. The authorised share-capital of the Bank was Rs. 50,00,000 made up of 50,000 shares of Rs. 100 each. The paid-up share capital amounted to Rs. 26,63,100 including Government share capital contribution of Rs. 10,00,000. The Bank has built up a reserve fund of Rs. 2,99,410. The total deposits attracted by the Bank was Rs. 48,34,244 as detailed below :—

	Rs.
(a) Current deposits ..	18,45,100
(b) Fixed deposits ..	2,94,507
(c) Other deposits ..	26,94,637
<b>Total</b> ..	<b>48,34,244</b>

The Bank has invested a sum of Rs. 15,63,200 as noted below :—

	Rs.
(a) Fixed deposits in Apex Bank ..	8,14,000
(b) Government securities ..	1,13,250
(c) Shares in Apex Bank ..	5,01,900
(d) Shares in Gauribidanur Co-operative Sugar Factory ..	1,00,000
(e) Other investments ..	34,050
<b>Total</b> ..	<b>15,63,200</b>

The Bank had borrowed a total sum of Rs. 58,01,947 from the Apex Bank and had advanced loans to the extent of Rs. 1,15,10,727 to its members as follows :—

	Rs.
(a) Short-term loan ..	54,83,300
(b) Medium-term loan ..	28,03,619
(c) Cash-credit loan ..	29,98,692
(d) Produce loan ..	2,25,116
<b>Total ..</b>	<b>1,15,10,727</b>

The following statement indicates the general working of the Bank during the five-year period from 1962-63 to 1966-67 :—

Particulars	1962-63	1963-64	1964-65	1965-66	1966-67
1. No. of Members	508	555	612	640	672
	Rs.	Rs.	Rs.	Rs.	Rs.
2. Share Capital ..	22,57,500	23,95,300	24,76,600	25,48,100	26,63,100
3. Reserve Fund	74,713	1,86,192	2,70,925	2,99,410	2,99,410
4. Other Funds ..	1,33,130	1,16,899	1,72,682	1,87,925	1,89,501
5. Deposits ..	22,69,861	25,22,327	30,82,809	41,20,007	48,34,244
6. Borrowing from Apex Bank.	47,02,993	42,62,640	36,18,420	43,90,800	58,01,948
7. Working Capital	94,38,197	94,83,358	96,21,436	1,15,46,242	1,37,88,203
8. Loans Advanced	83,66,644	77,47,231	74,63,755	93,81,457	1,15,10,727
9. Net profit ..	1,38,458	1,36,426	1,13,938	—27,740	1,43,405

The figures given above indicate that the Bank has made considerable progress. This is the pivot of co-operative finance in the district and serves as a balancing centre for all affiliated co-operative institutions in the district. One of the aims of the institution is to accept the surplus funds of one co-operative institution and make them available to another, which is in need of additional capital to carry on its business. The promotion of the economic welfare of the cultivating class, by providing them with necessary finance through the service co-operatives, is also one of its objectives.

**Main objectives**

The success of the Central Bank depends much on the efficient working of the primary co-operative societies established in the rural areas. In order to maintain their efficiency, the Central Bank exercises supervision over the affiliated societies. The supervising staff of the Bank check up the accounts, arrange

for the rectification of the deficiencies pointed out by the auditors, inspect the societies periodically, exercise vigilance over the utilisation of the borrowed funds and assist in the recovery of loans. A supervisor is appointed for every 10 to 14 primary societies with his headquarters in the rural area so as to enable him to be in close touch with the cultivators.

**District  
Industrial  
Co-operative  
Bank**

The District Industrial Co-operative Bank, Kolar, was registered in September 1963, but it actually commenced work with effect from 1st October 1964. The objects of the Bank are to provide financial facilities to *bona fide* rural industrialists, artisans and others interested in the establishment of village, cottage and small-scale industries, to finance industrial co-operatives and other co-operative societies which have, among their members, artisans and industrial workers, and to promote thrift, self-help and co-operation among artisans and industrial workers in the district.

The total membership of the Bank at the end of 1966 was 986, consisting of the State Government, 34 Industrial Co-operative Societies and 951 individuals (artisans and small industrialists). The authorised share capital of the Bank was Rs. 10 lakhs, the paid-up share capital being Rs. 2.27 lakhs. The total borrowings amounted to Rs. 7.71 lakhs, while the loans and advances made to the members amounted to more than Rs. 8.69 lakhs, benefiting thereby about 30 small-scale, village and cottage industries in the district. The functions of the Bank are governed by the Mysore Co-operative Societies Act of 1959 and the Reserve Bank of India (Banking Companies) Act (as amended in 1965) in so far as it is applicable to co-operative banks. The Bank has been making steady progress in advancing loans to individual industrialists, artisans and others interested in establishing and running of small-scale industries in the district. The Bank is being linked up with a network of Taluk Rural Industrial Co-operative Societies, Weavers' and other Craft Co-operative Societies in the district.

**Urban  
Co-operative  
Banks**

The four Urban Co-operative Banks, *viz.*, the K.G.F. Co-operative Bank Ltd., Kolar Gold Fields, the Town Co-operative Bank Ltd., Chintamani, the Town Co-operative Bank Ltd., Kolar and the Co-operative Bank Ltd., Robertsonpet, are also serving the financial needs of their members in their respective areas. These banks do not issue loans to the agriculturists but do so only to the non-agriculturist middle classes like merchants, artisans, etc., on reasonable terms. They also undertake general banking business.

**Land  
Development  
Banks**

There were eleven Land Development Co-operative Banks in the district, one in each taluk, at the end of 1966. They are all situated in the respective taluk headquarters. Formerly

these banks used to issue loans to the cultivators for redemption of their old debts. But they are now extending credit facilities mainly for land development work, in the form of long-term loans and loans under the scheme sponsored by the Government for well-sinking.

The total membership of these banks at the end of 1966 was over 18,000 with a paid-up share capital of Rs. 8,47,000. The total amount of loans advanced to the members stood at Rs. 41.48 lakhs at the end of 1965-66. Under the scheme for well-sinking, a sum of Rs. 36,36,719 had been advanced for 1,371 wells. The amount was utilised for the purpose of digging new wells, repairing old ones and installing irrigation pump-sets.

In the economic development of the district, the co-operative movement, in general, is playing an important and prominent role. By developing the habit of thrift and mutual help among its members, it helps them to become financially self-sufficient and achieve economic betterment. In the recent years, the movement has not only made much progress as regards credit structure and provision of facilities, but has also penetrated into almost every field of economic activity, such as housing, industrial development, lift-irrigation, farming, dairying, marketing and the like.

#### **Co-operative Societies**

The Agricultural Co-operative Credit Societies form the bulk of the co-operative credit organisation in the district. They generally have one village as their area of operation, but sometimes one or more neighbouring villages are also clubbed together under a single society. Providing of short-term loans to their members for productive purposes is their main function. Loans are advanced mostly on the personal security of the borrower supplemented by the guarantee of two good sureties. Membership is open to all local residents who satisfy certain conditions as laid down in the bye-laws. Loans are granted mainly for agricultural purposes, and also, to a limited extent, for domestic purposes. Short-term loans are provided for meeting the expenses on implements, seeds, manures, weeding, etc. Intermediate-term loans are granted for purchase of bullocks, carts, works of land improvement and for ceremonial expenses. There is a limit fixed to the normal amount of credit that may be granted to each member. Loans are generally given in cash, but of late, where the purpose of the loan permits and a suitable organisation exists, it is increasingly being advanced in kind, so that the borrowers may not utilise the loan amounts for other purposes.

#### **Agricultural Credit Societies**

Although these societies are primarily agencies for supplying credit, a few other points of contact with the economic life of the members have also been provided by the recent trends in the



evolution of the co-operative movement. There has been a steady and all-round progress in the working of these societies over the years, both quantitatively and qualitatively. Increase is noticed not only in the number of societies but also in their membership, share capital and working capital. During 1960, there were 421 Agricultural Co-operative Credit Societies in Kolar district and this number had increased to 553 by the year 1966.

**Consumers' and Housing Co-operatives**

With the rise in prices of consumer commodities and the necessity to hold the price-line, the role of Consumers' Co-operative Societies has assumed a great importance. The number of these societies is being gradually strengthened and during 1965-66, there were 27 Consumers' Co-operative Societies in the district as against 10 in 1960. Similarly, there has been considerable progress in the number and working of the Housing Co-operative Societies in the district over the last few years. In 1960, there were 14 such societies in the district and this number had increased to 26 by 1965-66. These societies strive to solve the housing problem of the urban population within their limitations.

**Farming and Marketing Societies**

There were also 11 Farming Co-operative Societies in the district during 1965-66, as against four in 1960. These societies aim at increasing agricultural production by co-operative efforts. Small farmers and landless labourers are, in particular, benefited by these societies. The progress achieved by the Co-operative Marketing Societies in the district is also considerable. There were 19 such societies in the district during 1965-66. They help the farmers to fetch a fair price for their produce by relieving them from the exploitations of the local *sahukars* and middlemen. These societies are provided with godowns to offer facilities of proper storage to their members. Of late, these societies have been working as Government agencies for the procurement and distribution of foodgrains on a wholesale basis. Some, among them, have also undertaken processing activities and they process agricultural produce, including oilseeds and the like, for export purposes.

**Other types of Societies**

There are also some other types of co-operative societies in the district, such as Rural Industrial Co-operative Societies, Land Development Co-operative Societies (Banks) and the like. The total number of all types of Co-operative Societies in the district has steadily increased over the years. From 664 in 1959, the number had increased to 878 in 1965 and to 939 by 1966. The total number of co-operative societies, their membership, share capital, deposits, advances and other particulars for the five-year

period from 1961 to 1965 are shown in the table given below :—

Statement showing the number of Co-operative Societies and their salient particulars in Kolar District during the period from 1961 to 1965

Particulars	As on	As on	As on	As on	As on
	30-6-1961	30-6-1962	30-6-1963	30-6-1964	30-6-1965
Number of Societies.	721	744	782	830	878
Membership	1,10,115	1,16,995	1,54,382	1,87,185	1,90,911
	Rs.	Rs.	Rs.	Rs.	Rs.
Share Capital	56,62,000	75,08,000	88,35,500	1,09,06,000	1,19,17,000
Deposits ..	20,81,000	33,87,000	44,84,100	34,61,000	40,30,000
Reserve funds	13,22,000	13,58,000	22,87,000	25,96,000	30,25,000
Other funds ..	1,34,000	1,19,000	1,80,000	2,00,000	3,11,000
Loans issued	2,04,39,000	2,04,36,000	84,27,700	58,06,000	1,53,40,000
Loans recovered.	1,36,26,000	1,36,27,000	93,60,310	7,89,100	1,46,19,000
Loans out-standing.	2,40,60,000	2,65,45,000	2,69,55,000	2,44,25,000	2,63,11,000
Loans overdue	44,55,000	48,58,000	1,41,06,500	1,08,09,000	1,41,48,000
Profits ..	5,31,000	4,55,000	5,13,000	5,55,000	6,29,000

With the increase in the tempo of developmental activities under the successive Five-Year Plans and the consequent increase in the developmental expenditure, the need for raising more and more financial resources has become imperative. In this connection, the Small Savings Scheme has been receiving a greater attention in recent years since it is considered to be one of the best methods of raising resources as it does not throw any burden on the people as in the case of taxation. Besides, mopping up of the savings of the people helps to check inflation and to hold the price-line by putting a voluntary curb on the extra purchasing power of the people and utilising it as a means of capital formation. Another important objective of the Small Savings Scheme, besides accumulation of funds, is to make the people partners in the great task of national development. The message of small savings is being rapidly spread throughout the State through a network of both official and non-official agencies and efforts are being made to mobilise the savings of both the rich and the poor, and invest them in the small savings securities, such as National Savings Certificates, Post Office Savings Bank Deposits, Cumulative Time Deposits, National Defence Certificates and the like, which are designed to suit everyone's purse.

In Kolar district, apart from the official agency, there is a Small Savings Advisory Board, consisting mostly of non-officials,

and there are also several Small Savings Agents. During 1965-66, the gross and net collections under the scheme in the district amounted to Rs. 27.01 lakhs and Rs. 5.71 lakhs, respectively, while the corresponding figures for the subsequent year, i.e., 1966-67, were Rs. 23.86 lakhs and Rs. 2.07 lakhs respectively. The fall in the savings collections during 1966-67 is attributed to scarcity conditions caused by the failure of monsoon.

**Life  
Insurance**

Consequent on the nationalisation of life insurance business in the country, the Life Insurance Corporation of India came into being on 1st September 1956, under an Act of Parliament. Prior to this, several Indian and foreign insurance companies were transacting life insurance business in the district, operating mainly either from Bangalore or directly from their head offices. The Mysore Government Insurance Department, through its public branch, was also doing life insurance business in the district.

But the private insurance companies hardly made any effort to take the message of life insurance to the interior villages. The unsatisfactory conditions of travel, illiteracy among the rural folk and their obsession with the traditional methods of savings had made the task of spreading the habit of life insurance among the rural population difficult, uneconomical and unattractive to the profit-oriented private insurance companies. But, since the nationalisation of the life insurance business, the Life Insurance Corporation of India, with its declared objective of reaching out—beyond the more advanced urban areas—to the interior parts and spreading the message of life insurance as far and wide as possible, has been successfully implementing a programme of development of life insurance business throughout the district.

During 1967-68, there were two sub-offices of the Life Insurance Corporation in the district, one at the Kolar Gold Fields and the other at Chikballapur, each in charge of an Assistant Branch Manager. Besides, arrangements had also been made for the collection of life insurance premia through some selected post offices and banks in the district. There were 19 Development Officers of the Corporation, one each in the headquarters of smaller taluks and two in bigger taluks. In addition, there were 395 active agents, who, on an average, completed new business of about Rs. 48,000 each during the year. During 1966-67, the Life Insurance Corporation had issued 4,857 policies in the district for a total sum of Rs 1,89,44,450.

There are no stock exchanges in the district.

**State Aid to  
Industrial  
Development**

The Government of Mysore, in their declaration of industrial policy, have made it clear that they would spare no pains to assist the growth of private industrial potential. Even as a princely

State, Mysore was noted as a pioneer in the field of industrial expansion. Recently, the State Government have established a Financial Corporation to advance loans and other assistance for furtherance of industrial activities. Prior to the establishment of this autonomous corporate body, the Mysore State Aid to Industries Act, which was promulgated as Act No. XX of 1951, was a great boon to industrial entrepreneurs. The Act had 24 clauses mainly detailing the mode and method of advancing financial help to industrial growth. It was made applicable to the district of Kolar also and the Director of Industries and Commerce in Mysore, Bangalore, was made the statutory authority to sanction advances to the applicants. Loans, guarantee of cash credit and overdraft or a fixed advance through a recognised bank were some of the means of assistance. There was a statutory provision also for paying a subsidy in the case of cottage industries. After the re-organisation of States, a new uniform State Aid to Industries Act was enacted in 1959.

Several of the industrial units in Kolar district have benefited under this scheme. Under the provisions of this Act, loans are granted for starting new industries as well as for expansion and development of existing industries, both small, medium and large-scale. This scheme is taken advantage of by the entrepreneurs for construction of their factory buildings, godowns, warehouses and other works necessary for industrial operation, for the purchase and erection of plant and machinery and for the purchase of raw materials. Since 1964 upto the end of 1966, a total sum of about Rs. 89,000 had been advanced in the district for the development of various industries apart from Rs. 1.65 lakhs advanced under the scheme for supply of machinery on hire-purchase basis.

During the three-year period from 1963 to 1966, the Mysore State Financial Corporation also had advanced loans to the tune of Rs. 84,000 in the district, while the Khadi and Village Industries Board had sanctioned Rs. 6,05,936 as loan and Rs. 5,48,159 as grant and working capital to several cottage and village industries during the period from 1957 to 1967. Further, the Kolar District Industrial Co-operative Bank and the State Bank of Mysore had also advanced loans to the tune of Rs. 6,97,735 (from 1963 to 1966) and Rs. 1.79 lakhs (during 1966), respectively, besides the loans advanced by the other commercial banks, etc.

Financial assistance is also given to agriculturists by the Government in the form of *taccavi* and land improvement loans through the Revenue Department. This is apart from the short-term credit provided to the cultivators by the Co-operative Credit Societies and loans under the well-sinking scheme already referred to. During 1966-67, a total sum of Rs. 2,70,000 under the *Taccavi*

**Financial  
Aid to  
Agriculture**

Loan Scheme and Rs. 2,75,000 under the Land Improvement Loan Scheme had been granted to the agriculturists in the district. In addition, loans are also granted to the farmers for the development of fruit and vegetable crops under the Horticultural Development Scheme.

### Coinage system

Prior to the introduction of the Indian coinage system in the State, almost every kind of coins of India was found to be current in the important trade centres of the region like Bangalore and round about. But all accounts were being maintained only in Kanthiraya Pagodas, Fanams and *Duddus*, which were the coins of the region. While a Kanthiraya Pagoda was considered equal to about three rupees, ten Fanams were considered equal to one Kanthiraya Pagoda; a Fanam was being exchanged for 18 *Duddus*, the rate of exchange being fixed generally once a month by an officer of the Government. Side by side, there was also a coin called Star Pagoda, which was equivalent to about four rupees. Tipu Sultan had also issued coins of various denominations during his time which were known as Sultani Fanams. It is said that the coinage system had considerably developed during his time and that his coins were in circulation side by side with the Kanthiraya Pagodas. But until 1853, the standard coin was the Kanthiraya Pagoda, which was a nominal gold coin first issued during the reign of Kanthirava Narasimharaja Wodeyar (1638-1659). It was in 1854 that all these coins were withdrawn from circulation and the rupee currency was introduced.

Under a notification of the Government of India issued in 1870, the Indian Coinage Act of 1870 was extended to Mysore and the coins of the Government of India were made legal tender in the State. Under another notification issued in 1879, the Madras Circle currency notes were made legal tender in Bangalore while under the Emergency Regulation of 1918, universal currency notes and other currency notes of the Government of India issued within the Madras Circle were made legal tender in the whole of Mysore State including the district of Kolar.

### Decimal Coinage

Under the Indian Coinage system, beginning from the one rupee coin down to the coins of smaller denominations, called subsidiary coins, which are token coins and whose face value is higher than their intrinsic value, the district has all the coins common to the country. Rupee and half rupee coins are unlimited legal tender, whereas the subsidiary coins are legal tender upto Rs. 10 only. Decimal coinage has been acclaimed as the simplest form of coinage, making calculations quick and easy. In the modern complicated system of trade and commerce, easy conversion of money is most essential, and a decimal system, which works in multiples of ten, makes the task of conversion easier. From 1st July 1957, India has changed over to the decimal coinage

system and the district of Kolar has had the beneficial impact of this change. To give effect to this change, an amendment to the Indian Coinage Act of 1906 was passed by Parliament in August 1955. Under this Amendment Act, it was declared that the Indian rupee would continue to be the standard coin but it would be divided into 100 naye paise, the half rupee and the quarter rupee being equivalent to 50 and 25 naye paise respectively. Since 1st April 1957, ten, five, three, two and one paise coins have been issued all over India, in addition to 50 and 25 paise coins.

In the initial stage, the old coins were also in circulation along with the new ones. In Kolar district, the people living in the urban areas took to this change to the decimal system readily, but in the rural areas the people found some difficulty, because of the complications in calculation from the old to the new.

#### PART B—TRADE AND COMMERCE

A system of trade exchange or trade in barter seems to have existed in the district in the later middle ages. The surplus food-grains used to be exported to other adjoining areas which, in turn, sent whatever was required here and was surplus there. In the absence of detailed and authentic old-time records of those days, it is not easy to assess the extent to which these trends influenced the economic structure of those days, but it is certain that imports and exports did shape the course of trade in those days. Course of trade

There are evidences to show that trade flourished in the old days, between Kolar and the adjoining districts, even though the roads and other means of communication were not so good. There are historical references which show that during the time of the Cholas (eleventh century), trade was popular between Kanchipuram and the eastern part of the Mysore State. It appears that paddy used to be imported even in those days. The produce was exhibited for sale in the shandies or the local market places. The local requirements were met in the market area and people bought what they wanted in exchange with locally produced wares. Cash, barter and bids were the principal modes of trade.

At the time of the Hoysalas, and later on, during the time of the Vijayanagara rulers, trade continued to flourish. Though the political vicissitudes hampered a free flow of trade to a certain extent, still merchandise found its way into the principal markets. Pack animals and country carts were the only means of transport. Improved tracks, constructed for the movement of the troops, were being used for transporting goods from place to place.

**Tipu's Trade  
Regulations**

But it is not till the days of Tipu Sultan do we hear of any sort of definite trade regulations. Tipu issued several commercial regulations and made some far-reaching changes regulating trade. In the beginning, he was of the view that any commercial dealings with foreigners was dangerous as it would disclose some secrets of his administration. He also thought that exports and imports would hamper the internal economy ; hence, he either discouraged or actually prohibited exports from his dominions. So also, imports from outside were totally prohibited. Instead, he adopted a dual policy of self-sufficiency and price stability. These measures stimulated local manufacture and production to a certain extent.

Though a great enemy of the British, he realised the excellence of their commercial methods and insisted that similar ways should be adopted to protect the internal trade and commerce of the territory. He established a Royal Board of nine Commissioners of Trade, which was governed by a code of eight sections. In several districts under his rule, he established factories and issued detailed instructions as to how the products should be sold. His earlier idea, which led to the prohibition of export and import trade with other territories, now underwent a change and he realised that export trade would bring in more money. However, his trade regulations stipulated that his own subjects should derive the best advantage of participating in commercial enterprises.

For a considerable period after the death of Tipu, there was no perceptible improvement in the condition of trade and commerce. There were vexatious customs duties hampering the trade. As in other parts of the State, the Kolar district also had many *kattes* or toll-gates and goods passing through them were subjected to the payment of levies and duties, in the collection of which there was no definite principle. This position continued upto the establishment of the British Commission in 1831. Then began a new phase in the development of trade and commerce. A Commission was set up to suggest ways and means to resuscitate the fallen trade by the removal of the many abuses prevailing in the old system. Based on the recommendations of the Commission, all unnecessary imposts were removed and instead, octroi duties were introduced to regulate the flow of trade between the State and the neighbouring areas.

**Trade in the  
19th century**

Kolar was one of the centres of trade even in the early years of the 19th century. The merchants of Sidlaghatta went to Nagar and Mangalore for purchasing betel-nut, black-pepper and other articles and to sell, in those parts, cotton cloths manufactured and tobacco grown in their neighbourhood. They also traded with Wallajapet in betel-nut and black-pepper. From Madras, they brought goods imported by sea. Jaggery and two

varieties of sugar, manufactured largely in Chikballapur, Sidlaghatta and Gudibanda taluks, were exported to Bellary, Madras and Hyderabad. The other articles of export from the district were coarse woollen blankets, pottery, raw silk, bangles and *honge* seeds. The main items of import were sea-salt, paper, cotton and silk fabrics, oils, cooking utensils, brass, coir materials and the like.

At the close of the 19th century, the importance of the development of trade and commerce was realised by the Governments of the successive Rulers of the State. During the reigns of Chamaraja Wodeyar X and Krishnaraja Wodeyar IV, considerable impetus was given to the trade of the State both by the extension of railways and increase of the mileage of good roads. To the Bangalore—Madras broad-gauge railway route passing through the district and opened up for traffic in 1864, was added the Bangarpet—Marikuppam line and the metre-gauge line passing through Thondebhavi, Gauribidanur and Vidurashwatha in 1899. A noteworthy feature of the development of railways in the district was the laying of the narrow-gauge line between Bowringpet (Bangarpet) and Chikballapur by the Kolar District Board in 1913 with the help of the State Government and the public. In the early part of this century, in furtherance of the Governmental measure for the expansion of trade and commerce, marketing surveys were conducted in respect of several items of manufacture, and trade statistics were gathered. A good deal of encouragement was given to the manufacturers, merchants and bankers for the promotion of trade and industry in the larger interests of the economic development of the State. After the advent of Independence in 1947, there has been further and greater encouragement for the all-round promotion of industries and trade and a special importance has been attached to export trade also. All these measures have opened up new possibilities for trade and have also greatly helped the growth of imports and exports, both in the district and the State as a whole.

The accessibility of the place and the means of transport are also important factors. In the old days, the bullock carts and the pack animals were the means of transport for carrying foodgrains, and even now, the bulk of the shandy trade is through country carts. The mode of transactions in the trade centres is another point worthy of note. The middlemen who had a particular business sense dominated all the shandies and ignorant producers often suffered at the hands of these middlemen, who manipulated the price-levels allowing the producer only the barest margin. The middleman's profit was proverbially high. This practice of middlemen's dominance persisted till the modern ideas of marketing emerged.

**Mode of  
transactions**



The trade, from times immemorial, flowed from mofussil centres to wholesalers who had their own *mandies* or godowns situated in principal towns. The retailers had their transactions with these wholesalers on cash or credit basis. Before the advent of mechanised transport, the wholesalers or their representatives went from place to place to gather information about the availability of stocks and brought the produce in country carts. If supplies in the local shandy were insufficient, a visit to principal trade centres offered additional scope for the wholesalers. The wholesalers were particularly busy during harvest time and the whole stock-in-trade used to be transacted during this period. By and large, the pattern was the same throughout South India.

#### Imports and Exports

Imports and exports are largely transacted through three important wholesale centres in the district, *viz.*, Chikballapur, Chintamani and Bangarpet. Each of these places is situated along railway routes. The flow of trade from Cuddapah side towards Bangalore, and from Chikballapur, Gudibanda and Gauribidanur sides towards Cuddapah side, is channelled through Chikballapur. Chintamani is another place from where trade flows towards Madanapalle, Kadiri and then on to Cuddapah. There are nearly 60 to 70 wholesale merchants in this town. After the industrial growth in the Kolar Gold Fields area, Bangarpet also assumed importance as a wholesale centre. The usual commodities handled in all these places are chillies, potatoes, onions, groundnuts and rice.

Retail marketing centres are situated in almost all urban areas. As the population has increased and communications are made easy, retail shops have sprung up in rural parts also. In urban areas, retail markets exist along with wholesale *mandies*. The retail business was once confined to particular products, but now they have assumed the shape of general stores. Formerly, the provision merchant was not transacting in general wares; but now each retail business centre is flooded with all kinds of goods.

The bazaar street is the principal business centre in all urban areas. In some places like Bangarpet and Chikballapur, wholesale godowns are situated near the railway goodshed area, from where the goods are moved to other places.

In the wholesale *mandies*, business is transacted in the principal agricultural commodities like rice, ragi, groundnut, jaggery, potatoes and onions. The district has to import rice as the paddy grown in the district is not sufficient for local needs. Prior to the imposition of restrictions on the movement of food-grains from one State to another, paddy was largely being imported from the areas of Andhra Pradesh. Most of the onions and potatoes grown in the district are exported to the areas of Andhra Pradesh and also to Ceylon.

The Government of Mysore had taken steps in the direction of regulated marketing much before the advent of the Five-Year Plans and had enacted the Mysore Markets Act of 1939. Under this Act, the Government established a regulated market at Chintamani in 1954. Later on, two more such markets were established, one each at Chikballapur and Mulbagal, during the year 1963. Another regulated market was established at Gauribidanur in 1964. Thus, there were, in all, four regulated markets in the district during 1966-67. Of these, the markets at Chikballapur and Gauribidanur had not yet started functioning, and the constitution of the first market committees for the same was under consideration of the Government. The main object of establishing these regulated markets is to ensure to the agriculturists a better price for their produce, fair weighments and relief from imposition of illegal fees.

**Regulated  
Markets**

The Chintamani Regulated Market, which is the earliest one in the district, occupies a very important place in the trade of the district and it mainly controls the marketing of paddy, groundnuts, tamarind, potatoes, jaggery, chillies and onions. The total number of commodities regulated upto 1967 was 19. Out of these, only groundnuts and tamarind were being sold by open auction conducted by the staff of the Market Committee. With regard to other agricultural commodities, the Committee only checks up the account settlement books maintained by the commission agents to see that proper payments are made to the agriculturists. During 1966-67, the jurisdiction of this market extended over the taluks of Chintamani, Bagepalli, Srinivaspur, Sidlaghatta, Kolar, Chikballapur and Gauribidanur, and the producers of agricultural commodities of these taluks were entitled to be represented on the Market Committee. In 1966, there were 96 traders, 28 commission agents and 37 weighmen and measurers in this market, the number of casual traders being about 2,000.

**Regulated  
Market,  
Chintamani**

The following are the comparative statistics of arrivals of the commodities at the Chintamani Regulated Market and their value, for the years 1964-65 and 1965-66 :—

Sl. No.	Name of commodity	1964-65		1965-66	
		Arrivals in Quintals	Value in Rs.	Arrivals in Quintals	Value in Rs.
1	2	3	4	5	6
1.	Groundnut ..	57,543	45,34,835	45,196	42,76,238
2.	Paddy ..	46,473	21,37,687	..	..
3.	Potato ..	6,133	3,08,793	13,614	6,17,544
4.	Onion ..	4,422	1,11,178	7,205	1,90,212
5.	Garlic ..	1,777	1,32,644	1,645	1,23,537

1	2	3	4	5	6
6.	Jaggery ..	15,684	10,32,517	18,817	8,07,856
7.	Soapnut ..	1,717	1,59,022	2,261	2,84,217
8.	Chillies ..	2,108	4,58,775	1,893	3,81,735
9.	Coriander ..	675	1,24,848	922	1,90,078
10.	Tamarind ..	12,482	5,86,064	14,065	4,24,044
11.	Jowar ..	1,759	94,573	9,465	8,58,180
12.	<i>Avare</i> ..	5,163	3,50,585	4,231	3,41,829
13.	<i>Togari</i> ..	523	40,767	75	5,400
14.	Horsegram ..	1,339	62,734	1,001	56,428
15.	Rice ..	25,995	19,79,976	36,666	43,05,186
16.	<i>Sajje</i> ..	114	2,293	448	32,149
17.	Turmeric ..	351	45,417	323	39,154
18.	<i>Honge</i> seed ..	3,138	1,45,427	5,819	3,14,202
19.	Tamarind seed ..	7,280	69,856	3,350	62,446

**Regulated  
Market,  
Mulbagal**

In the Regulated Market, Mulbagal, which was established in 1963, the important commodities handled are groundnut, ragi, jaggery, tamarind, chillies, horsegram and soapnut. This is a small market which had, in 1965-66, just 10 traders and one commission agent. The arrivals of regulated agricultural commodities at this market during the year 1965-66 and their value were as given below :—

Sl. No.	Commodity	Arrivals in Quintals	Value in Rs.
1.	Groundnut ..	15,987	14,39,546
2.	Ragi ..	3,107	3,03,007
3.	Jaggery ..	2,757	13,80,105
4.	Tamarind ..	1,515	1,04,157
5.	Horsegram ..	545	32,320
6.	Chillies ..	184	31,890
7.	<i>Avare</i> ..	161	10,716
8.	Soapnut ..	124	17,329

The income of the Market Committee, which was just Rs. 9,000 in 1959-60, had increased to Rs. 1,27,985 in 1965-66.

With effect from 1st May 1968, a new comprehensive Act called the Mysore Agricultural Produce Marketing Regulation Act, 1966, has been brought into force throughout the State with a view to bringing about uniformity in marketing of agricultural produce.

**Warehouses**

With the development of trade in the district, the necessity of warehouses for enabling proper storage of foodgrains against

pests and consequent loss was keenly felt. The Central Government's promulgation of the Agricultural Produce (Development of Warehouses) Corporation Act, 1956, resulted in the starting of a warehousing corporation in every State. In Mysore State also, a State Warehousing Corporation has been established to afford storage facilities for foodgrains in principal markets. Private traders, agriculturists and co-operative institutions are allowed to make use of these warehouses. During 1966-67, there was one warehouse in Kolar district located at Chintamani, which is a big business centre and which has a regulated market. This warehouse was established in October 1959. Particulars of agricultural commodities stored in this warehouse and withdrawn from it during the ten months from January to October 1966 are given below :—

Month	Opening balance in bags	Quantity deposited in bags	Quantity withdrawn in bags	Balance in bags	Storage charges collected
					Rs. P
January, 1966	.. 2,925	1,858	434	4,349	165.29
February, 1966	.. 4,349	2,183	1,208	5,324	909.66
March, 1966	.. 5,324	2,078	1,099	6,303	567.65
April, 1966	.. 6,303	5,476	857	10,922	344.61
May, 1966	.. 10,922	910	618	11,214	784.69
June, 1966	.. 11,214	591	2,455	9,350	1,492.04
July, 1966	.. 9,350	31	4,211	5,170	2,044.47
August, 1966	.. 5,170	251	4,255	1,166	2,691.45
September, 1966	.. 1,166	100	168	1,100	169.61
October, 1966	.. 1,100	14	80	1,034	186.71

Religious fairs and *melas* are held in all the taluks of the district and these have assumed a special importance in the trade trends of the area. These fairs afford vast opportunities to canalise trade, because the people congregate on these occasions in large numbers and avail themselves of the opportunity to buy many of their necessities. These fairs, which are the clearing houses for trade, are usually held in places where there are renowned shrines. When an annual festival or *utsava* takes place, *jatras* are held lasting for a week or ten days. During some of the *jatras*, cattle fairs are also held on a large scale and the stock of cattle for agricultural use is bought in these annual *jatras*. The Bhoganandishvaraswami *jatra* at Nandi and Ashwathanarayana-swami *jatra* at Vidurashwatha are famous throughout the State. It is estimated that these two *jatras* attract about a hundred thousand persons. The following is a list of prominent *jatras* held in the district together with their dates and duration :—

## Statement showing particulars relating to prominent Jatras in Kolar District

<i>Taluk</i>	<i>Place</i>	<i>Name of Jatra</i>	<i>Date of commencement of Jatra</i>	<i>Duration</i>	<i>Whether cattle fair or not</i>
1	2	3	4	5	6
Kolar	(1) Kolar	Someshwaraswami	Pushya Shuddha	One week	..
	(2) Holur	Lakshminarayanawami	Magha Shuddha Padyami	do	..
	(3) Vokkaleri	Markandeyaswami	Magha Pournima	do	Cattle fair
	(4) Seethi	Seepatheshwaraswami	Chaitra Shuddha Bidige	do	do
	(5) Vanarasi	Earlappa	Chaitra Shuddha Panchami	do	..
Bangarpet	(1) Bangarpet	Kodandaramaswami	Vaishakha Shuddha Pournima	..	..
	(2) Tallapalli	Someshwaraswami	Pushya Shuddha Pournima	One week	Cattle fair
	(3) Guttahalli	Venkataramanaswami	Magha Shuddha Pournima	do	..
	(4) Srinivasasandra	Gangamma	Pushya Bahula Chaturdashi	Ten days	..
Malur	(1) Tornahalli	Sappalamma	Pushya Bahula Padyami	Ten days	Cattle fair
	(2) Chikka-Tirupathi	Venkataramanaswami	Chaitra Shuddha Dwadashi	One week	do
	(3) Kudiyannur	Bayalu Basaveshwara	Magha Shuddha Padyami	do	do
	(4) Dadinayakanadoddi	Venkatagiriappa	Phalgun Bahula Tadige	do	..
	(5) Ullerahalli	Bhupathamma	Chaitra Shuddha Bidige	do	..
Mulbagal	(1) Mulbagal	Someshwaraswami	Margashira Amavasya	do	Cattle fair
	(2) Avani	Ramalingeshwaraswami	Pushya Shuddha Trayodashi	Ten days	do
	(3) Chamakalahalli	Venkataramanaswami	Chaitra Shuddha Navami	..	..
	(4) Byrakur	Someshwaraswami	Vaishakha Bahula Amavasya	..	..
	(5) Yeluvahalli	Anjancyaswami	Phalgun Shuddha Pournima	Nine days	..

(Continued)

Statement relating to prominent Jatras in Kolar District (concl'd.)

1	2	3	4	5	6
Srinivasapur	(1) Koolagurki	Gangammadevaru	Pushya Bahula Panchami	.. ..	Cattle fair
	(2) Ronur	Venkataramanaswami	Phalguna Bahula Panchami	.. One week	do
	(3) Yeldur	Kodandaramaswami	Chaitra Shuddha Pournima	.. ..	do
Chintamani	(1) Singrepalli	Lakshminarasimhaswami	Phalguna Shuddha Ekadashi	.. One week	do
	(2) Konakunthu	Venkataramanaswami	Ashadha Shuddha Pournima	.. ..	do
	(3) Alambagiri	Venkataramanaswami	Chaitra Shuddha Pournima	.. ..	do
	(4) Burudagunte	Gangammadevaru	Chaitra Bahula Trayodashi	.. ..	do
Sidlaghatta	(1) Melur	Gangamma	Chaitra Shuddha Pournima	.. ..	do
	(2) Chikkadasarahalli	Byatarayaswami	Margashira Shuddha Padyami	.. ..	do
	(3) Kumbiganahalli	Anjaneyaswami	Karthika Bahula Chaturdashi	.. Ten days	..
	(4) Talakayalabetta	Venkataramanaswami	Magha Shuddha Pournima	.. One week	Cattle fair
	(5) Nallerahalli	Rangalingeshwara	Pushya Shuddha Dashami	.. do	do
Chikballapur	(1) Nandi	Bhoganandishwaraswami	Magha Bahula	.. Ten days	do
	(2) Chitravati	Subramanyaswami	Magha Shuddha Shashthi	.. One week	..
Bagepalli	(1) Chelur	Kodandaramaswami	Magha Shuddha Saptami	.. do	Cattle fair
	(2) Mittemari	Lakshminarasimhaswami	Phalguna Bahula Saptami	.. do	do
	(3) Devaragudipalli	Gadadam Venkataramanaswami	Vaishakha Shuddha Pournima	.. ..	do
Gudibanda	(1) Yellodu	Adinarayanaswami	Magha Shuddha Navami	.. One week	do
Gauribidanur	(1) Vidurashwatha	Ashwathanarayanawami	Chaitra Shuddha Pournima	.. ..	do

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**Shandies**

The other trade fairs which are held in various places go by the name of *shandies* or *santhes* and these are held on particular days of the week. Some of these shandies are of very early origin. For instance, a weekly fair or shandy was being held at Malur as early as in 1800. Buchanan, referring to this shandy in his travel diary, had said that he found provisions of all kinds—coarse cotton cloths, blankets or *kamblies*, articles of iron for the country use and the like—were being sold. Shandies usually start after day-break and go on till late in the evening. Men and women come from adjoining villages and buy their needs. The shandies are also clearing houses for producers to sell their stocks. Rice, ragi, jowar, pulses and several other articles are brought in bags through country carts and are exhibited for sale. It is only the retail trade which is generally prosperous in these shandies. In spite of small retail shops which have sprung up in the villages, these shandies have not lost their importance. They continue in the same old fashion. Transactions are mostly done on payment of ready cash and credit transactions are seldom pursued. There are about 60 shandies in the district and the most important of them are held in Chintamani (Sunday), Bangarpet (Friday), and Robertsonpet (Wednesday and Sunday). The following list indicates the other important shandies in the district and the days on which they are held:—

<i>Sl. No.</i>	<i>Taluk</i>	<i>Place</i>	<i>Shandy day</i>
1.	2	3	4
1.	Kolar	Patna	Wednesday
		Sugutur	Friday
		Vokkaleri	Tuesday
		Kyalanur	Saturday
2.	Bangarpet	Kamasandra	Thursday
		Budikote	Tuesday
		Sundarapalya	Tuesday
		Ramasagara	Saturday
		Guttahalli	Saturday
		Kempapura	Wednesday
3.	Chintamani	Sulikunte	Saturday
		Batlapalli	Friday
		Kaivara	Friday
		Korlaparathi	Wednesday
4.	Sidlaghatta	Burudagunte	Saturday
		Melur	Tuesday
		Jangamakote	Thursday
		Basettihalli	Friday
		Sadali	Tuesday
		Abolodu	Tuesday
		Cheemangala	Wednesday

1	2	3	4
5	Chikballapur ..	Peresandra ..	Monday
		Dibboor ..	Monday
		Nandi ..	Thursday
6.	Gauribidanur ..	Vatadahosahalli ..	Monday
		Thondebhavi ..	Tuesday
		Allipur ..	Tuesday
		Darinaikanapalya ..	Thursday
7.	Bagepalli ..	Yellampalli ..	Saturday
		Billur ..	Wednesday
		Chelur ..	Friday
		Puligal ..	Tuesday
		Julupalya ..	Friday
8.	Gudibanda ..	Hampasandra ..	Wednesday
		Beechaganahalli ..	Monday
		Somenahalli ..	Sunday
9.	Malur ..	Tekal ..	Monday
		Chikka-Tirupathi ..	Wednesday
		Masthi ..	Sunday
		Kudiyapur ..	Tuesday
		Thornahalli ..	Wednesday
10.	Mulbagal ..	Thayalur ..	Wednesday
		Byrakur ..	Thursday
		Nangli ..	Saturday
		Mallinaikanahalli ..	Friday
		Avani ..	Thursday
		Koladevi ..	Monday
		Gudipalli ..	Thursday
		Yemmanetha ..	Sunday
		Kogileri ..	Monday
11.	Srinivasapur ..	Yeldur ..	Friday
		Royalapad ..	Monday
		Nambihalli ..	Monday
		Gownapalli ..	Tuesday
		Valagarahalli ..	Wednesday
		Yedarur ..	Wednesday
		Somayajalapalli ..	Tuesday
		Ronur ..	Thursday

The post-war period of high prices, general inflation and hoarding and profiteering by many unscrupulous traders created a big problem requiring immediate solution. The price-line shot up and the Government realised that the opening of fair price shops was the only way of ensuring fair prices to the consumers. Some merchants with clean trade practices were also



asked to undertake the responsibility. By the end of 1966, there were in all about 150 fair price shops in the district, run mainly either by co-operative societies or by merchants. Of these, the highest number of fair price shops was found in Robertsonpet and Kolar taluks. Principal foodgrains like rice, ragi, wheat and jowar are sold in these fair price shops at reasonable prices.

There are no trade associations in the district of Kolar.

**Weights and  
Measures**

The weights in use in the district till the introduction of the metric system were the standard maund of 40 seers, the seer of 24 *tolas* and the five-seers weight, familiarly called *pancheru* or *viss*. Fluids were either measured or weighed according to local practices. Ghee and butter were weighed employing the *viss* as the unit weight and oils were measured employing the standard seer as the unit. Petrol and diesel oil were sold using the gallon as the unit. With the introduction of the metric system, these old units have changed. Metric system of weights and measures was made compulsory all over the district in 1960 and the traders are now following this system. Under this system, the units of weights are kilograms and grams; and petrol and oil are sold in litres, while length is measured in metres and kilometres. A good deal of propaganda was done to familiarise the people with the new system and they are now used to this system fairly well.

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