

CHAPTER VI

BANKING, TRADE AND COMMERCE

A—BANKING AND FINANCE

IN Shimoga district, as in other parts of the State, agriculture is generally in the hands of small holders who have a difficult economic position. More often than not, the circumstances force them to borrow money for pursuing their agricultural operations. Timely supply of money was and is required by them and also by traders, weavers and others following various independent occupations for pursuit of their callings. They need it sometimes for fulfilling their family obligations too. These repeated necessities experienced by a large section of the people gave rise to the age-old practice of money-lending resorted to by some affluent persons.

Often, mutual trust and confidence constituted the security for purposes of lending money, and in the absence of this, cultivable fields, ornaments, dwelling houses, etc., were mortgaged or pledged as security. Credit-worthiness of the person was considered more important than the purpose for which the loan was being utilised. The money-lending business, which was local in character, attracted, in recent times, many Marwaris who settled down in the district for this and other purposes of trade. All the money-lenders in the district are expected to get themselves registered with the competent authority before they engage in such activities. The number of such registered money-lenders including pawn-brokers and registered finance corporations was 204 in 1967 which had increased to 248 within a period of two years. There were 290 money-lenders in 1971 as against 268 in 1970. However, the number had decreased to 222 by 1973. During the year 1973-74, the total loans advanced by the money-lenders, pawn-brokers and registered finance corporations was to the extent of Rs. 48,34,757, Rs. 42,16,568 and 1,83,00,000 respectively.

The sub-joined statement gives taluk-wise number of money-lenders for some recent years :—

Sl. No.	Taluk	1967	1969	1971	1973
1	Shimoga	65	75	98	80
2	Bhadravati	50	60	79	70
3	Tirthahalli	15	21	22	20
4	Channagiri	8	12	11	5
5	Honnali	10	12	12	5
6	Shikaripur	20	24	22	10
7	Sagar	20	23	27	20
8	Hosanagar	10	12	10	10
9	Sorab	6	9	9	2
Total ..		204	248	290	222

Source : Office of the Deputy Registrar of Co-operative Societies, Shimoga.

Taking undue advantage of the helplessness and ignorance of the needy people, many of the money-lenders adopted dubious ways and took to usurious practices. They took over lands and other properties of the debtors and amassed wealth. Numerous families on the other hand were groaning under heavy debts from generation to generation. This state of affairs called for State intervention. In order to mitigate the hardships of the debtors, the State Government brought into force the Mysore Usurious Loans Act, 1923, the Mysore Debt Conciliation Act, 1937, and the Mysore Money-lenders Act, 1939. The first Act sought to safeguard the interests of the borrowers from unfair transactions and exorbitant rates of interest charged by the money-lenders. Under the second Act, certificates were issued by the Boards meant for amicable settlement of debts of agriculturists when the creditor refused to agree to a fair offer of settlement made by the debtor. In such cases, the civil courts were barred from allowing any cost on suits or any interest for the period after the date of the issue of the certificate in excess of simple interest at six per cent per year on the principal amount due on that date. The third Act required the money-lenders to keep regular accounts of their dealings and also made a provision for the issue of receipts for all payments made by the loanee, and the money-lender was expected to furnish the debtors on demand a statement of account of the debt indicating the principal amount as also interest. The maximum rate of interest allowed was nine per cent simple interest on secured loans and 12 per cent on unsecured loans, the maximum compound interest permitted being six per cent per year with yearly rests on both secured and unsecured loans. Under this Act, molestation or humiliation of a debtor was a cognizable offence. It also imposed some restrictions in regard to arrears of interest charged when they exceeded the amount of principal borrowed.

Relief measures

In spite of these legislative protections given to the borrowers, various underhand methods were practised by the money-lenders.

Later, the Karnataka Money-Lenders Act, 1961 (Karnataka Act 12 of 1962), and the Karnataka Pawn-Brokers Act, 1961 (Karnataka Act 13 of 1962), were passed. Under the provisions of these Acts, money-lenders and pawn-brokers are required to obtain licences and to submit annual returns to Government in prescribed forms. The maximum interest allowed on loans is 15 per cent on secured loans and 18 per cent on unsecured loans per annum. In the case of pawn-brokers, the maximum rate of interest permitted is 18 per cent simple interest on loans not exceeding Rs. 25 and 15 per cent simple interest in other cases. The Registrar of Co-operative Societies is the *ex-officio* Registrar-General of Money-lenders at the State-level and the Deputy Registrar of Co-operative Societies is the *ex-officio* Registrar of Money-lenders at the district-level. The money-lenders, though dreaded, are still in demand, in spite of the spread of the co-operative credit institutions, increase in the number of branches of commercial banks and various credit facilities made available by Government. Easy and quick availability of loans and lack of restrictions on the purposes of loans, etc., induce many to have recourse to the private money-lenders.

**Assistance to
farmers**

Kaisala (hand-loan) has been popular both in the rural and the urban areas of the district. The trade centres like Shimoga, Bhadravati, Sagar, Tirthahalli, Shikaripur and such other places continue to have professional money-lenders. Agriculture being the most important basic occupation of the people of the district, as in the earlier period also, it was considered necessary by the State Government to render financial help to the needy raiyats to enable them to increase the production of food-grains. It was recorded that during the period from 1892 to 1904, a sum of Rs. 9,000 was advanced for land improvement in addition to Rs. 14,300 for irrigation wells and Rs. 7,000 for the work of field embankment in the district. In 1922-23, a sum of Rs. 6,000 was allotted to this district for this purpose and the amounts sanctioned in 1923-24 and 1924-25 were Rs. 16,000 and Rs. 21,500 respectively. Since then, the financial assistance being given to the cultivators has increased manifold. Special loans under various schemes for the development of agriculture and horticulture are being granted besides the usual *taccavi* loans. In addition, other agencies like co-operative credit organisations, co-operative land development banks and commercial banks are extending considerable credit facilities to the agriculturists. After the nationalisation of some of the major commercial banks, credit facilities have been liberalised. These institutions have been advised to take up financing of agriculture through primary credit co-operative societies and also directly.

The statement given below shows the amounts of loans advanced by the Government for agricultural purposes in the district during some recent years :—

Sl. No.	Head of account	Period	Amount in Rs.
1	Taccavi loans	1963-64 to 1972-73	21,65,500
2	Land Improvement loans	1963-64 to 1972-73	23,90,612
3	Loans for Irrigation	1963-64 to 1969-70	10,40,819
4	Reclamation loans	1963-64 to 1968-69	1,25,150
		(except 1967-68)	
5	Fruit and Cashew cultivation loans	1963-64 to 1969-70	5,550
		(except 1967-68 and 1968-69).	
6	Crop Loans	1967-68 to 1972-73	1,66,950
7	Cardamom loans (Sorab taluk)	1964-65	450
8	Manure loans	1965-66 to 1968-69	33,550
9	Pumpset loans (Sorab taluk)	1965-66	1,22,730
10	Flood loans (Tirthahalli taluk)	1963-64	9,000
11	Agriculture loans	1966-67 to 1972-73	1,26,000
		(except 1969-70, 1970-71, 1971-72).	
12	Interest-free loans (Channagiri taluk)	1964-65 and 1965-66	18,500

According to the Village Survey Monograph of 1961 on the Keladi village of Sagar taluk, published by the Census authorities, 197 households (*i.e.*, 56.7 per cent of the 347 households of the village) were in debt. The average indebtedness per household in that village was Rs. 848, as against the estimated all-India rural average of Rs. 654 per household as worked out by the All-India Rural Debt and Investment Survey for 1961-62. The per capita debt worked out to Rs. 92. It was found that the percentage of indebted households to the total number of households increased along with the rise in income and that 80.25 per cent of the households were indebted in the income group of Rs. 101 and above with an average indebtedness of Rs. 1,110 for each household in debt. With each lower-income group, the percentage went on decreasing. It was disclosed by the survey that 320 households had borrowed Rs. 1,67,070. Of these, 106 households had borrowed 21.1 per cent of the total loan for ordinary wants, 23 households had borrowed 17.7 per cent for land improvement, 55 households had borrowed 17.8 per cent for marriages, 30 households had borrowed 16.1 per cent for construction and repairs of houses, while 16 households had borrowed 8.3 per cent for clearing outstanding debts, 55 households had borrowed 6.1 per cent for purchase of livestock and the remaining 35 households had borrowed 13 per cent for other purposes. It was concluded that only 45.53 per cent of the total loan was spent for productive purposes, while the remaining was expended for non-productive purposes. It was also found that more than 50 per

Indebtedness

cent of the borrowings made by the households, who had an average income of more than Rs. 75 per month, was utilised for productive purposes, while the major portion of the loan incurred by lower-income groups was used for meeting the ordinary wants and also for meeting the heavy expenditure incidental to special occasions like marriage.

Credit requirements

The Lead Bank Survey conducted by the Canara Bank in the district revealed that, during 1970, the estimated requirement of short-term credit for each taluk was as follows :—

<i>Sl. No.</i>	<i>Taluk</i>	<i>Amount (Rs. in lakhs)</i>
1	Bhadravati	54
2	Channagiri	137
3	Honnali	116
4	Hosanagar	70
5	Sagar	89
6	Shikaripur	126
7	Shimoga	229
8	Sorab	124
9	Tirthahalli	129
Total		1,074

These estimates were only for crops like paddy, ragi, jowar, groundnut and cotton. The income per agricultural holding was approximately reckoned at Rs. 4,714 and the income per cultivator at Rs. 1,300 in 1970. According to the Survey Report, overall production potential in the agricultural sector could be of the order of Rs. 32 to Rs. 35 crores. It also pointed out that there was a considerable scope for raising the income levels through intensive cultivation, mechanisation and better utilisation of the potentialities. Investment in transforming cultivable waste lands into productive lands was expected to yield good results in about five to seven years. The official estimates of various types of credit requirements for the district during the year 1973 were short-term loans of Rs. 250 lakhs, medium-term loans of Rs. 50 lakhs and long-term loans of Rs. 500 lakhs.

COMMERCIAL BANKS

Modern banking activities began in the district as early as 1895 when the Genasinkuni Agricultural Bank at Genasinkuni in Sagar taluk was started, which was followed by the Shiralkoppa Agricultural Bank in 1898 at Shiralkoppa in Shikaripur taluk. These banks offered liberal loans to agriculturists particularly for growing commercial crops.

The first branch of a commercial bank was opened in 1914 by the State Bank of Mysore Ltd. Branches of other banking

companies were also set up later, at a tardy pace. Before independence, there were only ten branches of commercial banks, functioning in the district, out of which, five were confined to Shimoga city only; the five branches, which existed in Shimoga city from 1914 to 1946 belonged to the State Bank of Mysore Ltd., Corporation Bank Ltd., Syndicate Bank Ltd., Canara Bank Ltd., and Karnataka Bank Ltd., respectively. The next town having concentration of bank branches was Sagar owing to its being a large trading centre in the *malnad* belt. Again, the State Bank of Mysore Ltd., took the lead in opening a branch at Sagar in 1927, *i.e.*, 13 years after it opened its first branch at Shimoga. This was followed by a branch each of the Corporation Bank Ltd., and Syndicate Bank Ltd., in 1936. During the next year, the banking facility was extended to Tirthahalli by the Corporation Bank Ltd. The same bank opened a branch in the industrial town of Bhadravati in 1940. The other taluk-places like Hosanagar, Shikaripur, Honnali and Sorab had to wait longer and they got the commercial banking facility only in 1959. While, to the first three of those places, the Karnataka Bank Ltd., extended its facilities, the fourth, *i.e.*, Sorab got a branch of the Syndicate Bank Ltd. Then followed Channagiri, another taluk headquarters town, for which a branch was opened by the State Bank of Mysore Ltd., in 1967.

While there were 21 branches in the district in 1962, the number had gone upto 27 in 1966 and 36 by the end of June 1969 including 16 rural branches. The increasing banking consciousness among the people, the liberal policy adopted by the Reserve Bank of India in respect of extending banking facilities and the nationalisation of some of the major commercial banks in July 1969 have helped the growth of banking business and also the number of branches. In July 1969, on an average, a branch was serving a population of about 35,000. After the nationalisation, there has been a rapid increase and as on 30th June 1972, there were as many as 68 branches functioning in the district, which included 40 rural branches, 19 semi-urban branches, and 9 urban branches. This meant an increase of 89 per cent after the nationalisation and the proportion of population served by each commercial bank branch, on an average, was reduced to 19,000 per branch. The percentage of commercial bank offices serving in the rural areas to the total number of offices serving in the district as in July 1969 was 44.4 which was higher than the State percentage of 31.1. This percentage was further increased to 58.8 by 30th June 1972, while the State percentage was only 43.2. The Shimoga district ranked fifth among the districts in Karnataka in respect of population ratio per branch (1972). By the end of December 1973, the number of bank branches had risen

Rapid growth

to 69. All the banking companies operating in the district have their base in Karnataka only. In order to survey the resources and the potentialities of banking and to evolve a co-ordinated programme for ensuring adequate banking facilities in the district, a "Lead-Bank Scheme" was introduced by the Reserve Bank of India in December 1969. Under this scheme, the nationalised banks were allotted certain districts for the purpose. The Canara Bank is the Lead Bank for the Shimoga district. Before 1969, it had only five branches in the district as against 26 in 1974. The Canara Bank has the largest number of branches (26), followed by the State Bank of Mysore (12), Karnataka Bank Ltd. (11) and Syndicate Bank (10), and the rest of the ten branches are shared by the Corporation Bank Ltd., and Vijaya Bank Ltd. Among the non-nationalised banks, the Karnataka Bank Ltd. tops the list in respect of the number of bank offices.

Commercial banks are now playing an increasingly greater and wider role in financing industries, agriculture, trade and commerce and independent occupations. Especially after the nationalisation of some major banks, these banks started paying greater attention to the needs of the priority sectors and other economically backward sections of the society which had been neglected before.

**Deposit
mobilisation**

A survey team of the Lead Bank has pointed out that there is a demand for farm finance under various categories of development. In certain centres, deposit mobilisation could be taken up only during crop-harvesting seasons. In certain parts of Sagar, Tirthahalli and Sorab taluks, it was stated that there would be sufficient saving potential, two or three seasons after the advancement of loans to raiyats for purposes of farm finance and other developmental requirements, which could be easily mobilised. The surplus produced as a result of this would enable small farmers to make deposits. The number of branches of commercial banks and the amounts of their deposits and advances from 1966 to 1972 were as shown in the statement given below :—

(Rupees in lakhs)

Sl. No.	As on 30th June	No. of branches	Deposits	Advances
1	1966	27	646	851
2	1967	28	657	862
3	1968	34	718	1,204
4	1969	36	814	1,378
5	1970	58	938	1,490
6	1971	61	996	1,523
7	1972	68	1,157	1,565

Source : " Pigmy Economic Review ", Syndicate Bank, Manipal, November, 1973

The following table indicates the centre-wise amounts of deposits and credits of commercial banks in the district for the latest available year (as on 31st December 1970).

(Rupees in lakhs)

Sl. No.	Bank centres	No. of bank offices	Deposits	Credits
1	Bhadravati	5	1,71	10,34
2	Channagiri	2	10	4
3	Honnali	2	13	13
4	Hosanagar	2	17	3
5	Sagar	4	1,54	39
6	Shikaripur	3	17	20
7	Shimoga	8	3,78	3,22
8	Sorab	3	28	12
9	Tirthahalli	3	76	7
10	Others	26	74	36
Total ..		58	9,38	14,90

The sub-joined statement shows the location and dates of starting of branches of nationalised and non-nationalised commercial banks in the district as in December 1973 :—

Sl. No.	Place of branch office	Name of bank	Date of starting
1	Anandapuram	The State Bank of Mysore (One-man branch).	2-9-1965
2	Anavatti	The Karnataka Bank Ltd.	18-7-1969
3	Agumbe	The Syndicate Bank	17-9-1969
4	Anaveri	The Canara Bank	23-12-1970
5	Ayanur	The Karnataka Bank Ltd.	27-12-1968
6	Aralasurali	The Corporation Bank Ltd.	24-12-1971
7	Bhadravati	(i) The Corporation Bank Ltd.	20-12-1940
		(ii) The State Bank of Mysore (Main Branch).	2-6-1952
		(iii) The Syndicate Bank	14-11-1961
		(iv) The Canara Bank	4-7-1963
		(v) The Karnataka Bank Ltd.	28-12-1968
		(vi) The State Bank of Mysore (Old Town).	8-1-1971
		(vii) The Vijaya Bank Ltd.	17-2-1972
8	Basavapatna	The Canara Bank	23-12-1970
9	Basavani	The Canara Bank	23-12-1970
10	Channagiri	(i) The State Bank of Mysore	22-5-1967
		(ii) The Canara Bank	23-12-1970
11	Chilur	The Canara Bank	23-12-1970
12	Devangi	The Vijaya Bank Ltd.	23-3-1971
13	Honnali	(i) The Karnataka Bank Ltd.	8-4-1959
		(ii) The Canara Bank	8-6-1970
14	Holalur	The Canara Bank	26-3-1970
15	Hosanagar	(i) The Karnataka Bank Ltd.	2-2-1959
		(ii) The Canara Bank	26-6-1970

<i>Sl. No.</i>	<i>Place of branch office</i>	<i>Name of bank</i>	<i>Date of starting</i>
16	Heggodu ..	The Karnataka Bank Ltd.	8-12-1971
17	Holehonnur ..	The Karnataka Bank Ltd.	24-4-1970
18	Issur ..	The Canara Bank	23-12-1970
19	Jade ..	The Canara Bank	23-12-1970
20	Jog Falls ..	The State Bank of Mysore	20-8-1973
21	Keladi ..	The Canara Bank	23-12-1970
22	Konandur ..	The Canara Bank	26-3-1970
23	Kargal ..	The Canara Bank	27-9-1968
24	Kumsi ..	The Syndicate Bank	30-3-1970
25	Kattehaklu ..	The Karnataka Bank Ltd.	10-12-1971
26	Megaravalli ..	The State Bank of Mysore	23-4-1968
27	Mandagadde ..	The Canara Bank	23-12-1970
28	Nagar ..	The Syndicate Bank	14-11-1961
29	Nyamati ..	The Karnataka Bank Ltd.	4-4-1968
30	Nittur ..	The Canara Bank	25-5-1970
31	Ripponpet ..	The Canara Bank	14-11-1968
32	Shimoga ..	(i) The State Bank of Mysore	2-9-1914
		(ii) The Corporation Bank Ltd.	19-8-1932
		(iii) The Syndicate Bank	4-10-1943
		(iv) The Canara Bank (Bazar Branch)	11-10-1945
		(v) The Karnataka Bank Ltd.	30-10-1946
		(vi) The State Bank of Mysore (Bazar Branch).	14-6-1956
		(vii) The Vijaya Bank Ltd.	24-9-1968
		(viii) The Canara Bank (Shivamurthy Circle).	27-9-1968
		(ix) The Syndicate Bank (Ameer Ahamad Circle).	28-4-1972
33	Sagar ..	(i) The State Bank of Mysore	27-10-1927
		(ii) The Corporation Bank Ltd.	19-10-1936
		(iii) The Syndicate Bank	29-10-1936
		(iv) The Canara Bank	23-12-1970
34	Sorab ..	(i) The Syndicate Bank	18-11-1959
		(ii) The State Bank of Mysore	16-12-1968
		(iii) The Canara Bank	23-12-1970
35	Shikaripur ..	(i) The Karnataka Bank Ltd.	6-3-1959
		(ii) The State Bank of Mysore	27-6-1960
		(iii) The Canara Bank	23-12-1970
36	Santebennur ..	The Canara Bank	23-12-1970
37	Shiralkoppa ..	The Syndicate Bank	14-11-1961
38	Tirthahalli ..	(i) The Corporation Bank Ltd.	16-11-1937
		(ii) The Syndicate Bank	14-11-1961
		(iii) The State Bank of Mysore	27-11-1965
		(iv) The Canara Bank	28-1-1971
39	Tyavanige ..	The Corporation Bank Ltd.	24-12-1971
40	Talaguppa ..	The Canara Bank	26-3-1970
41	Ulavi ..	The Vijaya Bank Ltd.	23-2-1972
42	Yedur ..	The Canara Bank	23-12-1970

The Bank of Mysore was renamed as the State Bank of Mysore in 1960. It was established in 1913 at Bangalore with an authorised capital of Rs. 20 lakhs. As a State-aided Bank, its main objects were to cater to the growing needs of agriculture, industry, trade and commerce by extending banking facilities to un-banked centres, in addition to facilitating Government treasury work at the district headquarters city and to providing remittance facilities to the co-operative and other banks. As already mentioned, it was the first commercial banking organisation to open branches in the district at Shimoga and Sagar in 1914 and 1927 respectively. In 1952, the third branch of the bank in the district was started at Bhadravati (New Town) which was followed by another one at Shimoga in 1956. Other branches were established in later years. The State Bank of Mysore was the first bank in the country to open a "One-man branch office" at Anandapuram in 1965. This bank, as indicated earlier, is the second nationalised banking institution having the largest number of branches (twelve). This bank has introduced certain novel deposit schemes, *viz.*, Maintenance Deposits, Savings Certificates issued for the duration of 5, 10, 15 and 20 years, and Annuity Deposits. As at the end of December 1973, the total deposits mobilised in the district by this bank were to the extent of Rs. 360.83 lakhs comprising of 25,159 accounts. The following table indicates the financial assistance extended by the bank to the various priority sectors as on 31st December 1973 :—

(Rupees in 000's)

Sl. No.	Particulars	No. of accounts	Amount outstanding
1	Agriculture		
	Indirect	7	604
	Direct	1,415	5,029
2	Small-scale industries	203	2,480
3	Road transport operators	19	421
4	Small business	8	25
5	Retail trade	130	325
6	Professional and self-employed persons	23	52
7	Rural industries	96	64

The Canara Bank, a nationalised bank, considered as the sixth largest in India, made its beginning in 1906 at Mangalore as "The Canara Hindu Permanent Fund Limited." It made its entry into this district in 1945 by opening a branch in Shimoga city, and has now (1974), 26 branches in the district. This bank, being the Lead Bank for the district, has to ensure effective co-ordination among the financial institutions by holding meetings of consultative committees representing commercial banks, co-operatives, Government departments, etc., for discussing the problems and offering suggestions. In addition to regular banking business,

it is implementing several schemes for deposit mobilisation which include those pertaining to *nitya nidhi* deposits, *janapriya* deposits, *kisan* deposits, etc. Its Farm Loan Scheme is helping the cultivators considerably. The Agricultural Extension Officers of the bank assist the rural branches in processing loan applications. An "agricultural workshop" is being conducted by the bank for the benefit of branch managers and staff of rural branches to enable them to understand the needs of the farmers and to implement the relevant schemes effectively. Exhibitions are also conducted for popularising various schemes, especially the self-employment scheme.

The total deposits received by this bank in the district in 1966 stood at Rs. 56 lakhs and the total advances made were of the order of Rs. 67 lakhs. The corresponding figures relating to 1971 were Rs. 219 lakhs and Rs. 409 lakhs respectively. Thereafter, the deposits exceeded the advances. In 1972, the deposits amounted to Rs. 291 lakhs and the advances to Rs. 153 lakhs. The amounts of deposits and advances as on the last Friday of November 1973 were as follows :—

(Rupees in 000's)

<i>Deposits</i>	<i>Amount</i>	<i>Advances</i>	<i>Amount</i>
Current	2,686	Agriculture (including Poultry,	4,921
Savings	11,430	farming, dairy, piggery, etc.)	
Fixed	15,334	Small-scale industries	1,060
Others	4,894	Road transport operators	706
		Retail trade	1,106
		Self-employed, professional and for education.	565
		Small business	373
		Others	6,248
Total ..	34,344	Total ..	14,976

Syndicate Bank

The Canara Industrial and Banking Syndicate Limited, later called the Syndicate Bank, which was incorporated at Udupi in 1925 with the objective of financing cottage industries, took up commercial banking business in 1928. The banking activities of this organisation in Shimoga district began in 1936 with the opening of a branch at Sagar. Seven years later, its second branch was started in Shimoga city. There was a long interval of 16 years before another branch was set up at Sorab. During 1961 November, four more branches came into existence each at Bhadravati, Nagar, Shiralkoppa and Tirthahalli. After the nationalisation, three more branches were added, one each at Agumbe, Kumsi and Shimoga. This bank has a special savings scheme called the Pigmy Deposit Scheme. The total deposits mobilised by its branches in the district stood at Rs. 288.91 lakhs

at the end of December 1971 and the next year, the amount had increased to Rs. 321.95 lakhs. The total advances made by the bank amounted to Rs. 317.22 lakhs and Rs. 177.41 lakhs as at the end of December 1971 and 1972 respectively. Under the Direct Finance Scheme for Agriculture, the total advances made by the bank as on the last Friday of June 1973 were to the tune of Rs. 58.07 lakhs covering 2,673 accounts, which included Rs. 33.73 lakhs for production, Rs. 10.01 lakhs for equipment, Rs. 7.91 lakhs for plantations, Rs. 75,000 for dairy farming, poultry, piggery and fisheries and Rs. 5.67 lakhs for similar other purposes. The number of accounts and the amounts of advances made by the bank for the priority sectors during the years 1971, 1972 and 1973 were as shown in the table given below :—

(Rs. in 000's)

Sectors	As on last Friday of December					
	1971		1972		1973	
	No. of Accounts.	Amount	No. of Accounts	Amount	No. of Accounts.	Amount
Transport operators	21	411	32	765	50	1,013
Small-scale Industries	180	992	216	1,044	165	989
Retail trade	1,368	2,221	1,332	2,611	1,395	3,088
Agriculture	1,595	3,546	2,438	4,801	2,673	5,807
Small business	106	229	136	311	153	211
Professional and self-employment.	517	486	954	887	829	1,019
Educational loans	27	35	35	47	34	46
Total ..	3,814	7,920	5,143	10,466	5,299	12,173

The Karnataka Bank Ltd., which was founded at Mangalore in 1924, is having 11 branches in this district. Its first branch was opened in Shimoga city in 1946. Eight of the branches are now functioning in the rural areas, one in a semi-urban place and two in towns. The bank is paying a special attention to cover the unbanked areas in the rural parts. A special scheme called the *Abhyudaya* Cash Certificates is introduced in order to mobilise deposits. The bank is participating in local fairs and exhibitions and does audio-visual publicity for inculcating a spirit and habit of thrift among the rural people. The total deposits obtained in the district by the end of December 1972 came to Rs. 102.45 lakhs while the advances made amounted to Rs. 95.33 lakhs. By the end of December 1973, the total deposits mobilised and the advances made were to the extent of Rs. 136.82 lakhs and Rs. 119.91 lakhs respectively. The advances included Rs. 3.66 lakhs for small-scale industries, Rs. 39.51 lakhs for trade, Rs. 20.52 lakhs for agriculture, Rs. 5.16 lakhs for retail trade,

Karnataka Bank
Ltd.

Rs. 3.34 lakhs as personal loans and Rs. 46.31 lakhs as other advances. For purposes of poultry-farming, self-employment and education loans amounting to Rs. 0.12 lakh, 1.25 lakhs and 0.04 lakh respectively were given.

**Corporation
Bank Ltd.**

The Corporation Bank Ltd., formerly called the Canara Banking Corporation Ltd., made a small beginning as a 'Nidhi' (Fund) at Udupi in 1906. This bank was the second commercial bank to open its branch at Shimoga in 1932, the first one being a branch of the State Bank of Mysore in 1914. The next branch of this organisation was opened in 1936 at Sagar, followed by another at Tirthahalli in 1937. Three years later, a branch was opened at Bhadravati. During 1971, two rural branches were opened, one at Aralalur and another at Tyavanige. The bank's special deposit mobilisation schemes are the monthly repayment plan accounts, *balanidhi* cash certificates, monthly income deposits and insurance-linked savings bank accounts. The total deposits mobilised by this bank at the end of December 1972, in the district, were of Rs. 170 lakhs, while the advances made were of Rs. 60 lakhs. Nearly 53 per cent of the advances made was for catering to the needs of the priority sectors like agriculture, small industries and retail trade. The next year, the deposits and advances amounted to Rs. 181 lakhs and Rs. 88.30 lakhs respectively. The loans included Rs. 14.93 lakhs for whole-sale trade, Rs. 47.89 lakhs as personal advance, Rs. 8.18 lakhs for agriculture, Rs. 3.71 lakhs for retail trade, Rs. 1.82 lakhs for small industries, Rs. 1.63 lakhs to professional and self-employed persons and Rs. 10.14 lakhs for others.

Vijaya Bank Ltd.

The Vijaya Bank Ltd. was established in 1931 at Mangalore. Since 1961, the bank has been expanding geographically and functionally. It opened its first branch in this district in 1968 at Shimoga. It was followed by a second branch at Devangi in Tirthahalli taluk in 1971. Two more branches were started in 1972 at Bhadravati and Ulavi (Sorab taluk). The bank has also a special scheme for advancing loans to parents for enabling their sons and daughters to receive higher education in India or in foreign countries. The statement given below indicates the total deposits mobilised and the advances made by the branches of this bank in the district from 1968 to 1972 :—

(Rs. in '000's)

Year	Deposits	Advances
1968	3,51	25
1969	10,74	5,43
1970	18,82	11,08
1971	32,72	17,48
1972	66,35	28,32

Another category of financial institutions is also playing a role in the district in financing trade, commerce and industries and in tapping deposits. They are, by and large, called "Finance Corporations". In this district, there are as many as 22 such institutions, the majority of them being at Shimoga. The Bhadravati town has six such institutions and Sagar one. These private enterprises have been organised by moneyed persons under the Indian Partnership Act, 1932. The main objectives of these agencies are to provide finance on security or mortgage basis for trade, commerce, etc. Some of them have also "lucky benefit schemes". The interest rates given by these agencies on deposits are higher than those of commercial and co-operative banks. Thus they are able to collect considerable deposits from the public. The Registrar of Co-operative Societies, in his capacity as the *ex-officio* Registrar-General of Money-lenders, exercises supervision and control over these organisations. The following statement indicates the names of the firms, dates of commencement of business, loans advanced and deposits collected as in June, 1973 :—

Other financial agencies

Sl. No.	Name of firms	Dates of commencement	Loans advanced Rs.	Deposits collected Rs.
1	2	3	4	5
1	Maruti Finance Corporation, Shimoga	7-8-1970	11,54,000	1,16,000
2	Vasavi Finance Corporation, Sagar	4-10-1971	1,40,000	1,17,706
3	Shimoga Finance Corporation, Shimoga	4-7-1970	30,11,708	56,605
4	Ravi Finance Corporation, Shimoga	26-11-1971	8,27,775	2,18,485
5	Jaya-Karnataka Finance Corporation, Shimoga.	23-11-1972	2,16,015	42,022
6	Mukesh Textiles, Shimoga	1967	20,85,024	45,00,000
7	Malnad Finance Corporation, Shimoga	30-7-1971	24,15,890	4,03,050
8	Chandrodaya Finance Corporation, Shimoga	27-10-1970	3,56,867	74,282
9	Naveen Company, Shimoga	23-10-1968	9,93,232	2,95,692
10	Naveen Financiers, Shimoga	1972	N.A.	N.A.
11	Vasavi & Co., Shimoga	8-2-1968	18,42,635	20,637
12	Malatesh Financiers, Shimoga	19-10-1970	2,89,500	90,001
13	Viswas Financiers, Shimoga	7-6-1971	N.A.	N.A.
14	Malnad Arecanut Syndicate, Shimoga	20-6-1966	10,12,607	2,20,000
15	Sahyadri Finance Corporation, Shimoga	10-12-1971	20,30,691	3,53,279
16	Mahalaxmi Finance Corporation, Shimoga	7-11-1972	2,28,850	45,000
17	Maruti Finance Corporation, Bhadravati	15-12-1971	N.A.	N.A.
18	Bhadra Finance Corporation, Bhadravati	1972	N.A.	N.A.
19	Karnataka Financiers, Bhadravati	21-10-1972	1,11,500	2,681
20	Vinayaka Financiers, Bhadravati	5-4-1972	10,82,000	2,86,285
21	Srinivasa Financiers, Bhadravati	9-1-1971	12,68,434	1,56,215
22	Balaji Financiers, Bhadravati	13-10-1971	1,74,000	18,000

(Source : Deputy Registrar of Co-operative Societies, Shimoga, who is also the *ex-officio* Registrar of Money-Lenders).

CO-OPERATIVE MOVEMENT

The Co-operative Sector is playing an important part in the economy of the district. An earnest beginning of the co-operative movement was made in this district in the early part of the second decade of this century. On the 27th January 1912, a band of public-spirited persons of the district resolved to have a co-operative banking organisation in the city of Shimoga and as a result, the City Co-operative Bank Ltd., was brought into existence on 5th March 1912 under the provisions of the Mysore State Co-operative Act. In the early years, this banking organisation met with difficulties, but later, the active efforts of the co-operators and the progressive policy followed by the Government helped the movement to forge ahead. In 1912-13, smaller central institutions known as "Federal Banking Unions" were started with jurisdiction over one or two taluks, with the object of supervising and financing co-operative societies. (The Statistical Abstract of the Mysore State for 1915 reveals that at the end of 1913-14, there were 54 co-operative societies with a total membership of 2,376. The amount of paid-up share capital was Rs. 50,186 and reserve fund Rs. 1,779). As Federal Banking Unions did not function well, they were substituted by the District Central Banks. There were five District Co-operative Banks in the State, one of which was working in Shimoga in 1920-21. These institutions were intended to serve as a link between the chief central institutions and the primary co-operative societies, but these institutions too did not then come up to the expectations.

The Shri Ganapati Co-operative Urban Bank, Sagar, made its beginning in 1915 for catering to the financial needs of local merchants, and during the same year, a Gudigars Co-operative Society was also formed at Sagar for helping the *Gudigar* artisans. Consumer co-operative activities were first started by opening a Paraspāra Sahakara Sangha at Tippagondanahalli in Channagiri taluk in 1916. From 1917 to 1932 several grain banks functioned in the district. In 1917, two grain banks were opened one at Santhebennur and the other at Kondedahalli, and later, there were more such banks. During 1927, there were as many as 16 grain banks. However later on, all of them became defunct. For meeting the financial needs of industrial workers at Bhadravati, the Mysore Iron and Steel Works Banking Society was started in 1927 which was followed by another Urban Co-operative Bank at Shikaripur in 1932. In 1927* there were 207 Co-operative organisations. Out of them, four were agricultural and areca sale societies, two Gudigars societies, one cobblers society and one agricultural and industrial co-operative society; there were 16 grain banks as mentioned already, and ten co-operative stores and one house-building society while the rest were ordinary credit

* Source: Hand-book of the Shimoga District Conference and Exhibition, 1927.

institutions. In 1927, the membership of all these co-operatives stood at 9,876 and the share capital amounted to Rs. 2,86,767 and the loans issued amounted to Rs.4,60,172. The transactions of all these societies were of the order of Rs. 22,22,435 while the net profit amounted to Rs. 43,017.

Co-operation in the fields of agricultural credit and marketing received a momentum during the 1930s and 1940s. Two Primary Land Development Banks, one at Sagar and another at Bheemana-kone in Sagar taluk, were established in 1930. The Malnad Arecanut Marketing Co-operative Society (MAMCO) was established in 1939 which facilitated marketing of arecanut, a main commercial crop of Shimoga district. After experiencing a great deal of difficulties, the movement was streamlined and it regained momentum since the commencement of Five-Year Plans. A District Central Co-operative Bank was established at Shimoga in October 1953 to cater to the financial needs of the primary co-operative credit societies which were functioning all over the district. It continues to advance short-term and medium-term loans to its member societies. For helping the small-scale industries, rural industries, etc., an Industrial Co-operative Bank was opened in 1964. By the year 1963-64, 942 villages were covered by the co-operative movement with 314 societies. After five years, *i.e.*, in 1968-69, the number of villages covered stood at 1,728 and the membership strength was 2,00,300 spread over 828 co-operative organisations. Further, during the next five years (by 1971-72), the number of villages served was 1,728 with a total membership-strength of 1,93,558 in 863 organisations; the decrease in the membership was due to liquidation of a few societies.

Under the Third and Fourth Five-Year Plans, funds in the form of subsidies, outright grants, share capital, managerial grants and loans were placed at the disposal of various co-operative organisations in order to help them to progress satisfactorily. During the years from 1961 to 1966, Rs. 23,11,500 by way of share capital, Rs. 3,83,253 as managerial cost, Rs. 8,43,850 as godown loans and subsidies and Rs. 11,900 as other loans were sanctioned by the Government to the co-operatives in the district.

The Lead Bank Survey Report reveals that in 1967-68, an amount of Rs. 44.71 lakhs was advanced by the credit co-operatives, while the amount of loans recovered stood at Rs. 58.38 lakhs, and there was an outstanding balance of Rs. 87.92 lakhs to be recovered by the end of 30th June 1968. The overdue amount in the district in 1967-68 had been Rs. 59.34 lakhs. While, by the end of June 1968, there were ten primary land development banks with a membership of 22,202 and a paid-up share capital of Rs. 13.16 lakhs, and in addition, there were also nine taluk agricultural co-operative marketing societies with a membership of 7,302 and a paid-up share capital of Rs. 30.78 lakhs.

There were 873 co-operative organisations in the district including 123 societies under liquidation as on 30th June 1973. The category-wise number of co-operative institutions and their membership as on that date were as follows :—

<i>Sl. No.</i>	<i>Category</i>	<i>No. of societies</i>	<i>Member-ship</i>
1	District Central Co-operative Bank ..	1	608
2	District Industrial Co-operative Bank	1	1,513
3	District Co-operative Union ..	1	249
4	Agricultural Credit Co-operative Societies :		
	(a) Large-size Co-operative Societies ..	21	9,780
	(b) Service Small-size Societies and Multi-purpose Co-operative Societies	320	16,880
	(c) Grain Banks ..	5	239
	(d) Primary Land Development Banks	10	30,000
5	Non-Agricultural Credit Co-operative Societies :		
	(a) Urban Banks ..	8	13,000
	(b) Employees Co-operative Societies ..	32	5,001
	(c) Other Co-operatives ..	43	16,000
6	Marketing Societies :		
	(a) Taluk Agricultural Produce Co-operative Marketing Societies.	9	8,600
	(b) Malnad Areca Marketing Co-operative Society	1	3,700
	(c) General Horticultural Marketing Co-operative Societies	8	250
7	Agricultural Non-Credit Co-operative Societies :		
	(a) Milk Supply Co-operative Societies	40	1,809
	(b) Sheep-Breeding Society ..	1	120
	(c) Cotton-Growers Societies ..	5	..
	(d) Sugarcane-Growers Co-operative Societies	2	..
8	Farming Co-operative Societies :		
	(a) All types of farming ..	65	2,040
	(b) Lift-Irrigation Co-operative Societies	6	379
9	Non-Agricultural Non-Credit Co-operative Societies :		
	(a) Women's Co-operatives ..	2	99
	(b) Labour Contract Co-operative Societies	3	59
10	Consumer Co-operative Societies :		
	(a) Whole-sale store ..	1	57
	(b) Primary Consumer Co-operative Societies	63	10,650
11	Housing Co-operative Societies :		
	(a) General House Building Co-operative Societies	18	8,325
	(b) Housing Societies for Scheduled Castes and Scheduled Tribes.	9	2,325
12	Weavers' Co-operative Societies ..	9	261
13	Industrial Societies other than weavers..	69	13,102
14	Fisheries Co-operative Societies ..	3	332
15	Societies under liquidation ..	123	..

The statement given hereunder indicates the growth in the number of co-operative organisations with total membership in the district from 1967-68 to 1972-73 :

<i>Year</i>	<i>Total number of Co-operative institutions</i>	<i>Total number of members</i>
1967-68	814	1,99,635
1968-69	828	2,00,300
1969-70	837	2,10,000
1970-71	854	1,75,115
1971-72	863	1,93,558
1972-73	873	1,98,877

The table given below shows amounts of share capital, loans issued, recovered and outstanding and net profits or losses in the co-operative institutions in the Shimoga district for the years 1967-68, 1969-70 and 1971-72 :

(Rupees in 000's)

<i>Sl. No.</i>	<i>Particulars</i>	<i>As in the year</i>		
		1967-68	1969-70	1971-72
1	Share capital :			
	(a) Government	5,484	7,964	1,64,645
	(b) Individuals	10,043	1,33,950	1,68,410
2	Loans issued	83,623	72,000	4,51,390
3	Loans recovered	41,223	55,985	2,68,986
4	Loans outstanding	88,614	90,550	25,92,428
5	Net profit of some institutions	9,02,884	7,98,225	3,07,958
6	Net loss of other institutions	4,69,472	3,40,313	2,38,300

Another statement indicating amounts of managerial costs given by the State Government to the co-operative societies in the district from 1963-64 to 1972-73 is given below :—

(Amount in rupees)

<i>Year of sanction</i>	<i>Managerial cost</i>	
	<i>Shimoga Sub-Division</i>	<i>Sagar Sub-Division</i>
1963-64	40,144	19,178
1964-65	64,215	13,626
1965-66	51,934	8,000
1966-67	43,100	27,264
1967-68	1,08,234	15,950
1968-69	1,50,791	12,138
1969-70	84,571	4,300
1970-71	15,100	1,200
1971-72	13,600	22,100
1972-73	65,540	10,341

**City Co-operative
Bank**

The City Co-operative Bank Ltd., Shimoga, was a pioneer co-operative organisation to start banking activities in the district. It came into existence in 1912 with a membership of 72 with the objective of catering to the needs of low-paid officials, petty traders, artisans and small land-holders. The membership of the bank now consists of officials, officers, lawyers, traders, agriculturists, artisans of various kinds, etc. There are two classes of memberships, *viz.*, 'A' Class with a membership fee of Rs. 25 and 'B' Class (nominal) with a membership fee of Rs. 5. The strength of the 'A' class membership was 1,981 and that of 'B' class 545 as on 30th June 1972, the total being 2,526. In the earlier period, there was no active response from the public and great difficulties were experienced in developing the share capital of the bank. During the year of starting, the deposit in the bank was only Rs. 271, while, by the end of 1914, it stood at Rs. 1,209. The total paid-up share capital of the bank as on 31st December 1973 was Rs. 3,07,100 under 'A' class and Rs. 3,005 under 'B' class, the total amount being Rs. 3,10,105.

This bank grants loans, *inter alia*, for construction and repairs of houses, for pilgrimage and marriage and other ceremonies. Loans are also granted to help agriculture and small-scale industries. The bank is maintaining a free reading room and a small library for the general public and also contributes money for charitable purposes. It is one of the oldest urban co-operative banks of Karnataka and it celebrated its diamond jubilee in 1972. The following figures indicate total deposits received and advances made by the bank for some years from 1963-64 to 1972-73 :

Year	Deposits	Loans
	Rs.	Rs.
1963-64	7,48,887.55	4,68,352.00
1965-66	8,88,090.71	4,53,089.50
1967-68	9,26,637.50	3,92,304.00
1970-71	13,22,766.50	8,46,049.50
1972-73	14,83,375.60	7,77,794.50

Some salient figures of the bank were as follows :—

Year	No. of members	No. of shares	Deposits
			Rs.
1912-13	76	282	221
1922-23	641	3,025	28,968
1932-33	1,150	4,557	1,45,148
1942-43	2,000	5,000	2,35,895
1952-53	2,350	5,847	2,50,451
1962-63	2,000	5,998	4,77,186
1971-72	1,932	10,407	14,54,580

The Shimoga District Central Co-operative Bank Ltd. was registered in 1953 and started functioning in 1954. It acts as a central financing agency for all co-operatives in the district. This is an intermediary financing agency between the primary societies and the Co-operative Apex Bank which functions at the State-level. In 1958, the bank had 478 members, consisting of one 'A' class member (Government), 356 'B' class members (societies) and 121 'C' class members (individuals). In 1968 and 1973, it had 582 and 606 members respectively. In 1960-61, issuing of shares to individuals was stopped. The authorised share capital of the bank in the beginning (1953-54) was Rs. 10 lakhs. During 1957-58, it was raised to Rs. 30 lakhs; the Government's participation was to the extent of Rs. 2 lakhs and that of the co-operative organisations was Rs. 25 lakhs. Individual participation was to the extent of Rs. 3 lakhs which was divided into 6,000 'C' class shares of Rs. 50 each. In 1972-73, the authorised share capital was raised to rupees one crore consisting of 2,000 'A' class shares of Rs. 1,000 each and 80,000 'B' class shares of Rs. 100 each. During the same year, the paid-up share capital of the bank was Rs. 46,90,800 in which the share of the Government was Rs. 14,39,000 and that of the member-societies was of Rs. 32,51,800. So far, the bank has opened 12 branches, eight of which are functioning in the taluk headquarters and four in the mofussil areas.

District
Co-operative
Central Bank

The bank is issuing short-term credit for agricultural operations and medium-term credit for improvement of lands, construction of farm-houses, purchase of pumpsets, agricultural machinery, etc. Cash-credit loans are also given to the co-operative societies for dealing in foodgrains, fertilisers, procurements, marketing activities and the like. Nearly 50 per cent of the total advances are earmarked for short-term agricultural loans. A crop-loan system was introduced in 1954-55. In the early years of this scheme, loans were limited to a few selected societies and were purely security-oriented, the maximum limit being Rs. 1,000 in case of secured loans and Rs. 250 on surety. In 1966-67, a production-oriented system of lending called a Full-Finance Scheme was introduced. Under this, the maximum limit of financing to individuals was fixed at Rs. 25,000. Tenants and share-croppers are also financed liberally. Twenty per cent of the borrowings from the State Co-operative Apex Bank Ltd. is set apart for financing the weaker sections of the society. In 1972-73, out of Rs. 1,97,69,875 disbursed as loans, an amount of Rs. 38,59,235 (*i.e.*, 38.6 per cent) was advanced to the weaker sections in various forms. This being the central co-operative bank for the district, it has an important role to play in deposit-mobilisation programme. As such, new schemes like recurring deposits and Sree deposits have been introduced in order to encourage small savings. Donations are also given by the bank

to educational institutions out of its profits. The sub-joined statement gives the financial position of the bank for the years 1963-64 and 1972-73.

(Amount in rupees)

Sl. No.	Particular	1963-64	1972-73
1	No. of members	467	606
2	Share capital	22,90,350	48,65,100
3	Reserve fund	1,35,861	6,61,189
4	Other funds	1,53,655	11,01,588
5	Deposits	30,82,732	1,34,15,800
6	Loans from Apex Bank	72,95,707	1,31,80,582
7	Working Capital	1,30,30,896	3,55,57,640
8	Loans outstanding	1,10,68,514	2,91,34,975
9	Overdues	23,51,943	73,60,415
10	Net profit	1,65,546	1,23,293

Marketing Societies

In addition to five regulated markets and their three sub-markets, there are 18 marketing co-operative societies working in the district, nine of which are taluk agricultural produce marketing societies, one for each taluk and eight are general horticultural marketing societies and one is the Malnad Areca Marketing Co-operative Society Limited (MAMCO). By the end of June 1968, the nine taluk agricultural produce marketing societies together had 7,302 members and a paid-up share capital of Rs. 30.78 lakhs. By the end of June 1973, the total membership of these bodies had gone upto 8,600. The eight horticultural societies together had 250 members and it is reported that only five of them are functioning. There were 3,700 members in the Malnad Areca Marketing Society as in June 1973. Under a centrally-sponsored scheme, all the taluk agricultural produce marketing co-operative societies are functioning also as wholesale agents for distribution of consumer goods, in their respective taluks. They also supply insecticides, improved seeds, fertilisers, other agricultural inputs and agricultural implements. Some of these organisations have made profits, while the others have suffered losses. All these societies are members of the State Co-operative Marketing Federation Ltd., Bangalore. From 1966-67, these societies have been entrusted with the work of procurement of levy paddy in the district. On behalf of the Karnataka Food and Civil Supplies Corporation, these societies had purchased levy paddy to the extent of 2,92,520 quintals during the *khari* season of 1973-74 as against the target of 3,38,000 quintals. The horticultural societies encourage the sale of vegetable seeds, fruits and flowers and fix up rates for marketing of such products. They also undertake cultivation, hold training programmes and also do publicity

work to promote the objectives. The particulars of the nine taluk agricultural produce marketing co-operative societies, as relating to the years 1965-66, 1970-71 and 1972-73 were as given below :—

(Amount in rupees)

Sl. No.	Particulars	1965-66	1970-71	1972-73
1	Share Capital	2,22,000	4,31,000	4,32,000
2	Reserve and other funds	N.A.	1,50,000	1,52,000
3	Borrowing	6,68,000	17,00,000	85,48,000
4	Working Capital	40,45,000	23,81,000	18,01,900
5	Agricultural produce handled	N.A.	64,83,000	69,89,457
6	Purchases	1,24,75,000	92,35,000	99,69,761
7	Sales	1,50,74,000	78,50,861	82,52,921
8	Net profit	N.A.	79,000	32,100
9	Net loss	N.A.	1,31,000	1,73,000

Note : N.A.—Not available

The Karnataka State Arecanut Co-operative Marketing Federation was registered and commenced business at Shimoga in January 1958. In addition to striving to obtain better marketing facilities for arecanut, the federation is rendering other services which include advancing of loans to member societies on the basis of goods pledged. It provides warehousing, processing, grading and packing facilities also to the members. It also supplies manure, seeds and implements required for cultivating garden crops. It encourages thrift, self-help and co-operation among the members, besides doing propaganda work for adoption of improved methods of cultivation and grading of the garden produce. It also helps to promote exports of garden produce, processed or unprocessed. The affairs of the federation are managed by a board of ten directors, out of whom three are Government nominees, one from the Karnataka State Apex Bank, another from the Areca Development Council, Kozhikode and the remaining five are the representatives of the member-societies. The total membership of the Federation was 24 as on 30th June 1973, consisting of 13 'A' class members (who represented co-operative societies) and 11 'B' class members (individuals). The federation had opened branch depots at Madras and Bombay. However, the Bombay depot was closed in 1969. The Federation earned a net profit of Rs. 4,592 in 1970-71 and Rs. 2,450 in 1971-72. The following figures indicate the financial position of the organisation as in 1973 :—

Arecanut Co-operative Marketing Federation

Authorised share capital :	Rs.
2,000 shares of Rs. 100 each	2,00,000
Paid-up share capital	37,700
Reserve fund	200
Security deposits	1,850
Price fluctuation funds sanctioned by Government	54,639
Fixed deposits and investment in Shares	55,258

**Malnad Areca
Marketing
Co-operative
Society**

A great need for an organised agency to help promote the marketing of arecanut, the principal commercial produce of the district, was keenly felt and as a result, the Malnad Areca Marketing Co-operative Society Ltd., was founded on co-operative principles, at Shimoga in 1939. This organisation is managed by a board of 18 directors, including a nominee of the financing bank, *i.e.*, the District Central Co-operative Bank Ltd., Shimoga. It is headed by the Deputy Commissioner of the Shimoga district as its *ex-officio* president. The Joint Registrar of Co-operative Societies is the vice-president and the remaining 15 directors are elected every year and the Secretary of the Society acts as its chief executive officer.

The jurisdiction of the organisation is confined to Shimoga and Chikmagalur districts. In 1963-64, the society had 2,700 members and in 1972-73, there were 3,700 members, including 18 co-operative organisations. The society has five branches, of which three are functioning at Sagar, Tirthahalli and Nagar in Shimoga district and two at Sringeri and Koppa in Chikmagalur district. There are also ten collecting agencies located in villages. Arecanuts collected by these agencies are brought to Shimoga market which is a terminal market for *deshawara* variety, while Sagar is the terminal market for *chali* and round variety (*unde*). At Shimoga, sales are effected through auction on three days in a week in the presence of the growers, traders and representatives of the regulated market. Growers have the right to store their goods here till they get a fair price. Seasonal sales are also conducted at Tirthahalli and Koppa. Arecanuts are graded into different types according to the preferences of the consuming centres, the following being the main varieties:—*Deshawara, Saraku, Rajalu, Pheeton, Nuli, Vanthi-Bette, Benmuri, Naya Bette, Dala Gorabalu, Idi and Mini*. *Deshawara, Saraku, Pheeton* and *Nuli* are the main varieties that are exported to Tamil Nadu, while *Pheeton, Deshawara, Rajalu* are largely preferred by consumers in Andhra Pradesh. In Bangalore, Bombay and Bellary, mainly *Rajalu, Benmuri* and *Vanthi-Bette* are consumed, and the rest of the varieties are used locally. The society arranges transportation of the produce from the collecting centres to its headquarters at Shimoga and growers are given advances at the rate of 60 per cent of the market value of the produce at the collecting centres. Chemicals, fertilisers and other agricultural requisites are supplied to the growers by the society. The institution charges

no fee for storage, but commission is collected at the rate of $1\frac{1}{4}$ per cent. Crop loans are given on easy terms to the growers from July to September for operational purposes. Out of the net profit, every year, the Society declares a dividend which is generally not less than nine per cent. This institution has taken shares worth Rs. One lakh from the Central Arecanut Marketing and Processing Co-operative Ltd., Mangalore, and also is to work as a procuring agent of that body. The financial position of the organisation as in 1962-63 and 1973-74 was as follows :

(Amount in rupees)

Particulars	1962-63	1973-74
Share Capital	1,25,310	4,09,360
Reserve fund	2,74,099	8,03,141
Other funds	4,50,968	16,23,639
Deposits	7,89,962	15,36,548
Total ..	16,40,339	43,72,688

A District Industrial Co-operative Bank Ltd., was established at Shimoga in 1964 for catering to the financial needs of agro-based and processing industries, specially cottage and rural industries, through co-operative organisations and also directly. The membership of this bank in 1964-65 was 350 with a paid-up share capital of Rs. 37,880. The corresponding figures for 1970-71 were 1,490 and of Rs. 3,47,743 respectively. The total share capital of the bank by the end of 1973, was of Rs. 6,65,564, while the total deposits received both from individuals and institutions stood at Rs. 62,834. In 1973, the bank advanced Rs. 83,908 for small-scale industries and Rs. 5,46,590 for rural industries and Rs. 11,88,398 to other industries, and other types of advances were to the tune of Rs. 16,838. The profit earned by the bank was Rs. 9,130 in 1968-69, Rs. 21,530 in 1969-70 and Rs. 12,806 in 1970-71. This bank was amalgamated with the Karnataka Industrial Co-operative Bank Ltd., Bangalore, on 1st October 1973 and since then, it has become a branch of the Apex institution.

**Industrial
Co-operative
Bank**

There are ten Primary Co-operative Land Development Banks functioning in the district. These are one for each taluk with the exception of the Sagar taluk which has two banks, one at Sagar and the other at Bheemanakone, which are the earliest ones started in 1930. The land development banks were formerly called land mortgage banks. A primary land development bank was organised at Shimoga in 1932 which was followed by another at Honnali after six years. Such banks for other taluks followed later. These banks are affiliated to the Karnataka State Co-operative Land Development Bank Ltd., Bangalore, which is the Apex financing agency for providing long-term credit for various

**Primary Land
Development
Banks**

agricultural development purposes such as improvement of land, discharge of earlier mortgage debts, sinking of irrigation wells, purchase of pumpsets, tractors, power-tillers, etc. Advances are also made for land development and reclamation of lands in the Tungta and the Bhadra Projects areas under a scheme of the Agricultural Refinance Corporation. As in 1967-68, the total membership of these ten banks was 22,202 and they had a paid-up share capital of Rs. 13.16 lakhs. The total membership of these banks had increased to 30,000 by the end of June 1973. During the same year, their borrowings amounted to Rs. 61.29 lakhs and advances were to the extent of Rs. 54.22 lakhs, and the loans outstanding were of the order of Rs. 169 lakhs as on 30th June 1969. A few important particulars of these banks as at the end of 1972-73 are indicated in the sub-joined table :—

(Rs. in oo's)

Places	Membership	Paid-up share capital	Loans advanced	Profit (+) Loss (—)
Bhadravati	3,117	3,154	2,789	—214
Bheemankone	1,193	1,813	5,080	+110
Channagiri	7,312	4,350	5,351	—4,247
Honnali	2,774	2,184	1,271	—707
Hosanagar	2,468	2,458	8,457	—454
Sagar	2,861	2,794	9,570	—56
Shikaripur	2,907	2,313	3,409	—918
Sorab	2,294	2,921	10,643	+301
Tirthahalli	5,416	3,610	8,926	+151
Shimoga	3,116	3,034	10,058	—1,230

Land
Development
Bank,
Tirthahalli

The Primary Land Development Bank, Tirthahalli, was established in 1939. It is affiliated to the Karnataka State Co-operative Land Development Bank, which is the central financing agency for providing long-term credit to the needy agriculturists. The total number of members of the bank in 1963-64 was 1,370 comprising 994 'A' class and 376 'B' class members. The total membership increased to 2,795 by 1967-68. Since then, the membership kept on increasing and it had almost doubled to 5,416 by June 1973, which comprised 2,944 'A' class (original), 2,471 'B' class (members who co-executed the bonds) and one 'C' class (Government) share. The share capital of the bank in 1963-64 was of Rs. 57,536 which was raised to Rs. 1,42,816 during 1967-68, and Rs. 3,61,016 by 1973. During 1971-72, the assistance received from the Government was to the extent of Rs. 50,000. In addition to catering to the various financial needs of the members on the basis of security of land under the general scheme, long-term credit facilities are also being extended for the purposes of irrigation wells, pumpsets and power-tillers and also for the development of areca and coconut plantations.

With a view to propagating the message of banking more effectively among the rural public, the board meetings of the bank are held in villages also where the enrolment of members and collection of share capital are made. Under a pilot scheme introduced by the bank, loans are sanctioned and disbursed on priority basis at the village-level thereby minimising the inconvenience and delay. The members of the staff of the bank also go to the doors of the farmers in connection with the preparation of relevant records, etc. Some special loan schemes have also been undertaken by the bank for the development of areca and coconut plantations. For this purpose, the bank is disbursing loans in seven instalments in respect of areca and three instalments in respect of coconut. The bank has achieved considerable progress. The following figures indicate the financial position of the bank for the years 1963-64, 1969-70 and 1972-73 :—

(Amount in rupees)

Particulars	1963-64	1969-70	1972-73
Membership :			
(i) 'A' class	994	1,994	2,944
(ii) 'B' class	376	1,518	2,471
Share capital	57,536	1,91,458	3,61,016
Reserve fund	11,694	24,063	31,279
Other funds	2,943	26,147	57,942
Profit	1,071	1,900	15,190
Borrowings :			
(a) General scheme	2,52,930	4,13,860	7,95,910
(b) Well scheme	—	9,080	—
(c) Areca scheme	—	72,187	47,850
(d) Tractor scheme	—	1,39,000	—
(e) Pumpset scheme	—	1,600	7,000
(f) Coconut scheme	—	—	41,865

As a result of the amalgamation of Shri Sharada Gudigars Co-operative Society of Sagar and Shri Satyanarayana Gudigars Co-operative Society of Sorab, the Mysore Gudigars Co-operative Society came into existence in 1950. The objective of this co-operative body is to help the Gudigars who have a reputation for their hereditary occupation of skilled carving, especially in sandalwood and other wood. The jurisdiction of the society is confined only to the two taluks of Sagar and Sorab. The institution was started with only 17 founder-members and the membership had increased to 144 by 1974. The paid-up share capital of the society is Rs. 2,904 (290 shares of Rs. 10 each). There is a provision to have an authorised capital to the extent of Rs. 1,00,000 (made-up of 10,000 shares of Rs. 10 each). As the response from the Gudigars was not so encouraging, it was decided to admit non-Gudigars also limiting to only 10 per cent with a view to strengthening the share capital. The society has been permitted to

Gudigars Co-operative Society

purchase wood and ivory from the Government depots at 50 per cent subsidised rates and the remaining 50 per cent of the cost is met by the Department of Industries and Commerce. The society supplies raw materials to its members and collects the finished products by paying labour charges. Finished articles purchased by the society from among its members are sold in retail and wholesale markets both within the State and outside. During the year 1972-73, the institution had purchased raw sandalwood worth of Rs. 8,300 and spent another sum of Rs. 22,397 for getting finished products. There is a board of 15 directors, six representing Sagar area and the rest Sorab area. The institution is headed by the Assistant Commissioner of the Sagar Sub-Division as its *ex-officio* president. The vice-president and the honorary secretary are elected from among the directors.

Reserve and other funds amounting to the tune of Rs. 35,870 have been maintained. Out of this amount, a sum of Rs. 2,800 has been invested and the rest of the amount is being utilised as business capital. In 1958-59, the Government gave a grant of Rs. 19,940 and a working capital loan of Rs. 10,000. In 1974, a grant of Rs. 8,000 was paid to the society for the construction of a workshop at Sorab. The head office of the society has its own office building and a showroom at Sagar. A scheme estimated to cost about Rs. 50,000 for a more and better production of quality articles in sandalwood and ivory has been prepared by the society. The institution is financially poor and is yet to grow well as could be seen from the following table :—

(Amount in rupees)

Particulars	1969-70	1970-71	1971-72	1972-73
Membership	130	130	130	137
Reserve fund	13,535	13,535	13,535	13,535
Paid-up share capital	2,008	2,800	2,814	2,904
Bad and doubtful debts	1,864	1,864	1,864	1,864
Building fund	6,751	6,751	6,751	6,751
Depreciation fund	4,256	4,256	4,256	4,256
Machinery fund	6,653	6,653	6,653	6,653
Trade fluctuation fund	1,143	1,143	1,143	1,143

Housing Co-operatives

By the end of June 1973, there were 27 house-building co-operative societies working in the district with a total membership of 10,650. Of these societies, 18 were general house-building societies with a membership of 8,325 and the rest were meant for the Scheduled Castes and Scheduled Tribes with a membership of 2,325. The Karnataka State Scheduled Castes and Scheduled Tribes Housing Corporation, Bangalore, is the central financing agency which caters to the needs of the latter societies and provides loans at a cheap rate of interest at three per cent per year repayable

in 20 easy instalments. By 30th June 1973, an amount of Rs. 19,79,500 had been sanctioned for building 882 houses by the nine Scheduled Castes and Scheduled Tribes House-Building Co-operatives. It was reported that among the general house-building societies, six have become defunct.

As mentioned earlier, a consumer co-operative society made a beginning as early as 1916, when the Paraspura Sahakara Sangha was opened at Tippagondanahalli in Channagiri taluk. Later on, many such societies were registered in the district. The main object of the consumer co-operatives is to cater to the day-to-day requirements of the members at reasonable prices. During 1965-66, there were 56 consumer co-operatives and one district co-operative wholesale stores. These 56 societies together had a total membership of 9,655. After three years, *i.e.*, by 1969-70, the number of such institutions had increased to 69 and the total membership to 23,500. In 1972-73, there were, however, only 63 such co-operatives with a total membership of 10,650.

The Bhadravati-Shimoga Central Co-operative Wholesale Stores was started in 1963. It has opened *Janata Bazars* at Shimoga and Bhadravati. In 1967, the membership of this co-operative body was 65 which had, however, decreased to 54 by 1970, and it had risen to 63 in 1973. The paid-up share capital of the member-societies was of Rs. 2,07,000 in 1967, Rs. 50,300 in 1970 and Rs. 31,000 in 1973. The Government's share in capital was of Rs. 15,019 in 1967, Rs. 3,60,000 in 1970 and Rs. 30,000 in 1973. The Stores was, however, incurring losses for several years and now it is under liquidation. Among the 63 primary consumer co-operatives of the district, only one-third (21) of them are economically viable institutions and the rest have been declared as defunct. Some particulars relating to consumer co-operatives for the years 1965-66, 1969-70 and 1972-73 were as given below :—

(Amount in rupees)

Sl. No.	Particulars	1965-66	1969-70	1972-73
1	Share Capital	1,85,900	6,58,000	6,08,980
2	Reserve fund and other funds	74,000	4,57,000	4,27,900
3	Working capital	2,99,000	11,15,000	10,57,000
4	Purchases	69,74,000	50,11,000	89,92,000
5	Sales	70,95,000	4,72,000	79,92,000
6	Government assistance	47,000	N.A.	N.A.

Note : N.A.—Not available

The Bhadravati Iron and Steel Works Consumers' Co-operative Society Ltd., was registered in December 1966 with the objective of catering to the day-to-day needs of the employees of the Works at reasonable prices. The society is dealing in provisions, cloth and various other items of consumer and controlled articles. By the end of March 1974, there were 2,800 members in this society

Bhadravati
Iron and Steel
Works
Consumers'
Co-operative
Society

(the membership is restricted to the employees of the Mysore Iron and Steel Ltd.). The share capital of the organisation in 1966-67 was of Rs. 45,626 which was raised to Rs. 1,29,590 in 1969-70 and later, it was further increased to Rs. 1,38,320 in 1972-73. The reserve fund of the society was Rs. 75,646 in 1968-69 and it had gone upto Rs. 92,289 by 1972-73. The total investment made by the society was to the extent of Rs. 32,500 by 1972-73. The total purchases and sales made by the society were to the tune of Rs. 12,32,462 and Rs. 11,10,233 respectively as in 1968-69. The corresponding figures for 1970-71 were Rs. 15,79,884 and Rs. 14,06,039. In 1972-73, these figures declined to Rs. 10,34,529 and Rs. 9,65,854 respectively. The organisation has branch at Kemmangundi in Chikmagalur district. The profits earned by the society during 1969-70 and 1970-71 amounted to Rs. 57,707 and 14,631 respectively. The loss incurred by the society during the years 1968-69, 1971-72 and 1972-73 amounted to Rs. 27,891, Rs. 16,282 and Rs. 1,049 respectively, owing to heavy establishment charges and other expenditure.

**Milk supply
Co-operative
Societies**

The first milk producers co-operative society was formed in the district in 1963 at Dodderhalli in Honnali taluk. By 1973, there were 40 such co-operative institutions in the district, with a total membership of 1,809, as against 1,800 in 1971-72 and 1,600 in 1970-71. Besides supplying milk to the consumers collected from the members and others, these societies advance loans for purchase of milch animals to their members. They also undertake the work of preparing other products by making use of the surplus milk. It was reported that out of the 40 societies, only 28 were functioning in 1973, while the rest were defunct. Some of the co-operatives are earning profits, while the others are incurring losses. The figures pertaining to this category of societies for the years from 1970-71 to 1972-73 were as follows :—

(Amount in rupees)

<i>Particulars</i>	1970-71	1971-72	1972-73
Share capital	58,000	59,000	59,899
Reserve and other funds	6,000	6,600	6,702
Working capital	2,64,000	2,67,000	2,73,000
Total sale proceeds	1,38,000	1,13,000	1,14,600
Profits	8,000	8,682	13,000
Losses	4,000	5,000	4,000

**Industrial
societies**

The main objective of the industrial co-operatives, other than those of weavers, is to provide short and medium-term financial assistance to craftsmen such as goldsmiths, blacksmiths, *Gudigars*,

leather-workers and traders and for rural industries. These societies supply raw materials to the producers. They also undertake marketing activities of their produce. As in 1964, the number of such institutions was 59 which increased to 63 by 1970 and 69 by 1973. All these societies together had 13,102 members in 1973, as against 12,859 in 1967 and 12,994 in 1964. In addition to these societies, there were nine weavers co-operatives registered in the district with a total membership of 261 in 1973 and three of them were reported to be defunct. Among the industrial co-operatives, 14 institutions were reported to be not functioning in 1973. The salient figures pertaining to this category of societies for the years 1964, 1967, 1970 and 1973 were as follows :—

(Amount in rupees)

Particulars	1964	1967	1970	1973
Share capital	4,82,899	4,19,900	5,00,488	3,98,000
Reserve and other funds	38,509	32,000	28,000	1,56,000
Value of goods produced.	49,498	52,421	61,823	93,000
Sales	61,131	50,389	58,341	53,000
Assistance from Government	2,894	5,000	2,000	3,000
Profits	12,894	18,989	20,315	25,209
Losses	24,645	26,021	15,802	N.A.

As in June 1973, there were 347 co-operative agricultural credit institutions registered in the district. The bulk of this included the District Central Co-operative Bank, 21 large-sized co-operatives, 257 service co-operatives, 15 multipurpose societies. There were also 38 small-sized co-operatives, 10 primary land development banks and 5 (defunct) grain banks. About 87 per cent of the agricultural credit societies were functioning and the rest were reported as defunct organisations. Among the defunct institutions, 13 were multipurpose co-operative organisations and 19 small sized societies; three each among large-sized and service co-operatives were defunct. These co-operatives provide short and medium-term credit to the needy agriculturists and also supply agricultural implements, pesticides, insecticides, improved seeds and manure to their members. These societies are considered the most important base for the development of the co-operative movement in the rural parts. Three other farmers societies have been also registered recently. Efforts are being made to revitalise the weak and dormant agricultural credit societies. The following table indicates the periodical progress of these co-operative societies for the years 1964, 1967, 1970 and 1973 :—

**Agricultural
credit
Societies**

(Amount in rupees)

Sl. No.	Particulars	At the end of June			
		1964	1967	1970	1973
1	Share capital :				
	(a) Individuals	8,12,509	9,00,224	6,93,500	6,88,000
	(b) Government	4,84,603	5,94,900	6,63,890	9,07,000
2	Reserve fund and other funds	9,25,091	12,78,125	10,12,721	11,38,900
3	Deposits	2,25,091	7,83,962	5,62,000	5,45,000
4	Working capital	24,84,899	35,55,211	29,32,912	32,78,907
5	Loans issued	89,98,998	60,18,895	70,23,000	53,89,500
6	Loans recovered	65,62,873	59,92,722	25,10,725	12,86,800
7	Loans outstanding	44,52,093	78,43,671	57,18,350	19,88,000
8	Loans overdue	22,83,194	49,68,308	71,22,000	76,03,000

Farming societies

Consolidation of small, fragmented and uneconomic holdings and increasing of agricultural output by means of scientific and intensive cultivation are the main objectives of co-operative farming societies in the district. There were as many as 65 registered co-operative farming societies in the district in 1972-73, as against 48 in 1967 and 62 in 1970. One of them was a 'better-farming' society, another a poultry-farming one, and two were tenant-farming co-operatives, while 58 were joint-farming and three collective farming societies in 1972-73. The total membership of these institutions was 2,040 in 1972-73, as against 1,989 in 1970-71 and 1,952 in 1967. Organisation of joint-farming societies has been taken up by the Department of Co-operation on a pilot-project basis. Out of the 58 joint-farming societies, only 30 are functioning and the rest are, however, defunct. The better-farming and poultry-farming societies are also not working well. Among the three collective farming co-operatives, only one is functioning.

The Rudrapura Tenancy Farming Society, Sevanagar (Channagiri taluk), was the first tenant-farming society registered in 1951. Then followed another similar organisation after five years at Shivakolanur (Channagiri taluk). The total membership of these two co-operatives was 494 with share capital of Rs. 26,900 in 1973. They held 80 hectares of land. The table given below shows the particulars of the farming co-operatives for the years from 1970-71 to 1972-73 :—

(Amount in thousands)

Sl. No.	Particulars	1970-71	1971-72	1972-73
1	Area of land in possession (in hectares)	818.91	818.91	818.91
2	Area under cultivation (in hectares)	592.92	592.92	592.92
3	Share capital	391	394	394
4	Reserve and other fund	52	49	182
5	Working capital	871	1,772	1,954

Lift Irrigation Societies In order to supplement the efforts for irrigating the lands, lift-irrigation co-operative societies were started in 1970-71. As in 1973, there were six such societies, of which three were in Sorab, two in Honnali and one in Shimoga taluks. The total membership of these societies was 379 with a share capital of Rs. 70,020. The area irrigated by them was 571.86 hectares. It was reported that only two societies were functioning during 1974.

Other Co-operatives As in 1973, there were also co-operatives of other categories registered in the district, which included 32 employees co-operatives which had a total membership of 5,001. Of them, only 23 were reported to have been functioning. Two women's and three labour contract and construction societies had a total membership of 99 and 59 respectively. It is stated that at present (1974) no women's society is working, and of the labour contract and construction societies, only two are functioning. There were also three fisheries and one sheep-breeding societies with a membership of 332 and 120 respectively. Five cotton-growers societies and two sugarcane-growers societies were also functioning in the district. There were five grain banks in 1973 with a total membership of 239. The total paid-up share capital, reserve fund, deposits (both societies and individuals) and working capital of these grain banks were Rs. 5,57,000, Rs. 2,78,000, Rs. 5,44,000 and Rs. 38,42,000 respectively. It is reported that these banks have now become defunct.

District Co-operative Union The Shimoga District Co-operative Union Ltd. has been functioning since 1961. Its main objective is to propagate the co-operative principles and in this connection to execute programmes like "Members Education Programme" in order to help smooth functioning of the Co-operative Organisations. It arranges film-shows, runs co-operative libraries and reading rooms, conducts study tours, holds co-operative conferences, Co-operative weeks, etc., in order to strengthen the co-operative movement in the district. There are three District Co-operative Education Instructors appointed by the Karnataka State Co-operative Union, Bangalore. Two types of training courses are arranged by the Union, i.e., a four weeks' secretaries and managers course and a five-days training course for the managing committee members of the various co-operative organisations. During the year 1970-71, 238 co-operative organisations were members of this Union and this number had increased to 250 during the next year.

Life Insurance Corporation of India Prior to nationalisation of life insurance and the beginning of the Life Insurance Corporation of India in 1956, many companies were engaged in the life insurance business in the district. At first (in 1956-57), the Shimoga district formed a part of the area administered by the Udupi Divisional Office of the Life Insurance Corporation. For administrative convenience and for spreading the message of life insurance more effectively, a branch was opened

at Shimoga in 1958 with jurisdiction over Shimoga and Chikmagalur districts and later in 1960, it was confined to the district of Shimoga. Two new branch offices in the district were opened at Sagar in 1962 and at Bhadravati in 1971. The sum assured was Rs. 223 lakhs in 1965-66, Rs. 521.69 lakhs in 1970-71 and Rs. 664.05 lakhs in 1972-73. The number of policies in force during the respective years was 5,601, 9,683 and 9,472 respectively. As the business went on expanding, the increase in number of agents also took place. Whereas there were 444 agents in 1961, the number had increased to 747 by 1972-73. The total amount of premia received in 1972-73 was Rs. 88,78,470.

The Karnataka Government Insurance Department is doing business both in life insurance and motor vehicles insurance in the district; it is confined to the employees of the State Government and the vehicles of the State Government including those owned by the industries of the State Government. The approximate number of policies held in the district as in 1973-74 was 8,800 and the total sum assured was of Rs. 2,13,04,800. The total amount of premia received in the district was Rs. 7,96,744 in 1969-70, Rs. 8,63,806 in 1970-71 and Rs. 7,65,813 in 1971-72.

Karnataka
Government
Insurance
Department

There is considerable response in the district to the State Lottery which is being conducted by the Government of Karnataka since 1969, as a measure to promote small savings. Twenty-five per cent of the prize amounts of rupees one lakh and above and 10 per cent of the prize amounts below rupees one lakh are to be invested in the form of National Savings Certificates. At present (1974), there are about 175 sub-agents in the district for the sale of lottery tickets. Lottery tickets of some other States also are sold in the district.

Karnataka
State Lottery

The National Savings Scheme, which was taken up in this district in 1943, has made considerable progress in recent years. With the increase in the tempo of various developmental activities, the need for raising more funds has become imperative. This scheme is also considered as one of the best methods for capital-formation, and it helps to check inflation to a certain extent. In order to popularise the scheme in the rural areas, the National Savings Organisation organises drives at district and taluk-levels and mobilises savings of both the rich and the poor through securities like the Five-Year, Seven-Year and Twelve-Year National Savings Certificates and Ten and Twelve Year National Plan Savings Certificates. Besides these, the other kinds of savings include the Cumulative Time Deposits, Recurring Deposits and Time Deposits. As in 1971-72 and 1972-73, the net amounts invested in the form of Cumulative Time Deposits were Rs. 2,74,000 and Rs. 4,02,000 respectively. The net investments under the Recurring Deposits were to the tune of Rs. 1,98,000 in 1971-72 and Rs. 4,37,000 in 1972-73. In respect of Time Deposits,

National Savings
Scheme

the amounts were to the extent of Rs. 43,94,000 and Rs. 59,65,000 in 1971-72 and in 1972-73 respectively. The total amount invested in the district under the Small Savings Scheme was Rs. 54,23,000 in 1971-72 and of Rs. 62,04,000 in 1972-73. The target fixed for the small savings for the district was of Rs. 85 lakhs in 1972-73, excluding post office savings bank accounts. It was raised to Rs. one crore for the year 1973-74 and the achievement by the end of February 1974 was Rs. 95.60 lakhs. In this respect, it ranked next only to Bangalore among the districts of the State.

Several kinds of incentives are being offered by the Government of Karnataka to boost national savings collections. The revenue and other officers at the district and taluk-levels, local bodies, voluntary organisations and the like are associated in the drive. Special cash awards are also given on the basis of total collections made. The figures given below, as furnished by the Regional Director, National Savings, Government of India, Bangalore, indicate that the gross and net collections in the district under the National Savings Securities had more than doubled over a period of 10 years :

Year	Collections	
	Gross	Net
	Rs.	Rs.
1962-63	40,59,400	21,36,000
1963-64	55,46,500	33,14,600
1964-65	60,48,400	35,14,700
1965-66	91,60,800	60,63,800
1966-67	77,94,400	47,55,800
1967-68	89,24,300	53,64,900
1968-69	73,23,700	35,02,700
1969-70	92,35,000	44,99,000
1970-71	90,25,000	41,69,000
1971-72	1,09,17,000	54,23,000

The system of post office savings bank accounts is also helping to mobilise the savings. As on 31st March 1973, this facility was made available in 401 post offices in the district, which had 23,327 accounts with total deposits of Rs. 45,11,368.

COINAGE

Through the centuries, changes in coinage have taken place with the rise and fall of the ruling dynasties. There were variations in metals, designs, sizes, weights, etc. King Vishnuvardhana of the Hoysala dynasty had issued gold coins in three sizes—*varaha* (large size), *fanam* (medium size) and half-*fanam* (small size). Gold, silver and copper coins were in wide circulation during the Vijayanagara rule. Gold was used for the coins called *gadyana*, *varaha*, *pratapa* and *pana*, silver for *tora* and copper for *jaithal kasu*. The Keladi Nayakas followed the Vijayanagara system of

coinage with a few innovations. *Varaha*, *gadyana*, *honnu*, *darana*, *hana*, *mupaga*, *adda*, *haga*, *bele*, *visa*, *arevisa* and *kasu* were the names of various coins that were in use during their period. The relative values of these coins to others appear to have been as follows :—

1	<i>varaha</i>	=	<i>gadyana</i>	7	1 <i>adda</i>	=	2 <i>haga</i>
2	<i>varaha</i>	=	2 <i>honnu</i>	8	1 <i>haga</i>	=	2 <i>bele</i>
3	1 <i>hon</i>	=	2 <i>daranas</i>	9	1 <i>haga</i>	=	4 <i>visa</i>
4	1 <i>hon</i>	=	5 <i>hanas</i>	10	1 <i>visa</i>	=	2 <i>arevisa</i>
5	$\frac{3}{4}$ <i>hana</i>	=	1 <i>mupaga</i>	11	1 <i>haga</i>	=	16 <i>kasu</i>
6	1 <i>hana</i>	=	2 <i>adda</i>				

The most popular coin called the *Ikkeri varaha* was a gold coin belonging to the time of Sadashiva Nayaka. There were three types of gold coins struck by him. They had the legend 'Sadashiva' in Nagari script that resembled the Vijayanagara coin of king Sadashiva Raya. But the word *pratapa*, found frequently on the Vijayanagara coins, was not mentioned on the coins of the Keladi Nayakas.

According to Buchanan, "a parcel of 43 very old looking pieces, part of a large found in Nagar or Bednur, weighed 2,025.5 grains, giving an average of 47.1, but the heaviest was 50 grains, the lightest only 37.75". After his conquest of Bednur in 1763, Haidar Ali issued the *Ikkeri varaha* as *Bahaduri hana* retaining on the obverse Shiva and Parvati, but putting on the reverse a Persian monogram surrounded by a circle of dots. During the time of Tipu Sultan, it was issued as *Sultani hana*. Haidar and Tipu had a mint at Nagar in this district. The coins issued later by the Mysore Wodeyar family at Mysore and Nagar were known as *hosa* (new) *Ikkeri varaha*. Krishnaraja Wodeyar, on assuming the Government in 1811, issued the coin as *Krishnaraja varaha* retaining the same Shiva and Parvati on the obverse, but putting the words "Shri Krishna Raja" in Devanagari script. By about 1843, the coins issued by the East India Company were generally accepted in the region as a standard medium of exchange. By a notification issued by the Government of India in 1870, the Indian Coinage Act of 1870 was extended to the princely State of Mysore also and the coins of the Government of India were made legal tender in the State. The Emergency Regulation of 1918 made the universal currency notes and other currency notes of the Government of India issued in the Madras Circle as legal tender in the Mysore State also. An amendment to the Indian Coinage Act of 1906 was passed by the Parliament in August 1957 for bringing into force the decimal coinage system which was introduced from 1st April 1957 throughout India.

B—TRADE AND COMMERCE

Shimoga, being largely a *malnad* district, is placed in an advantageous position, particularly in respect of agriculture, agro-based industries and forest wealth. During the period of Vijayanagara rulers, which was followed by the Keladi Nayakas and Mysore Wodeyars, this area was noted also for its trade and commerce and resultant prosperity. It had brisk trade relations especially with the west-coast region. There were many trade guilds in the old days, which helped to promote trading activities.

In normal years, the district of Shimoga used to have a marketable surplus in respect of both commercial and food crops. Rice, sugarcane, arecanut and pepper are the important agricultural commodities of the district. The Vijayanagara rulers had done much for the promotion of trade. They encouraged foreign merchants to visit their extensive dominions and had established active trade relations with them. The Nayakas of Keladi also helped the development of internal and external trade and many trade regulations were brought into force during their rule. Trade was a good source of revenue to the Government. The Keladi kings had trade monopoly with the Portuguese in regard to pepper and rice. After the transfer of their royal seat from Ikkeri to Bidanur (Nagar) in about 1639, trade with the west coast began to be carried on through the Hosangadi Ghat. Various new commercial regulations were introduced by Tipu Sultan who set up a Royal Board of nine Commissioners of trade and commerce who enforced the regulations. Some of these regulations were arbitrary and sometimes, the transit duties were very heavy. This proved detrimental to the flow of trade and commerce and this adverse effect continued even upto 1831.

The construction of a bridge over the Tunga at Shimoga on the Bangalore-Honnar Road was completed in 1859 at a cost of Rs. 1,07,538 and another bridge on the Bhadra at Benkipura (Bhadravati) was completed in 1860 at a cost of Rs. 74,997. A masonry bridge over the Saraswati river and an iron bridge over the Haridravati river near Gavatar were constructed on the Haidarghar-Shimoga Road in 1885-86. This facilitated easier communication in the area. During the reign of Chamaraja Wodeyar, roads from Avinahalli and Talaguppa were constructed via Ninne Ghat to Gerasoppe, which afforded a much needed outlet for the arecanut trade. Later, the laying of railway lines connecting the interior of *malnad* enabled quick movement of men and materials which helped the development of trade. There were in 1921, 7,328 persons engaged in trade and commerce in the district, the corresponding figures for 1961 and 1971 were 15,290 and 25,346 respectively.

Imports and exports of commodities of an area are influenced generally by the changes that take place in agricultural production,

Course of trade

Imports and Exports

industrialisation, urbanisation, infrastructure and such other socio-economic factors. About four decades back, nearly 24 commodities were exported from this district which included food crops, commercial crops, hides, manganese ore, ghee, sesamum (inferior) and sesamum (superior). Some of these items were exported outside the State. During the same period, about 37 commodities were imported to this district, which included coffee, tobacco, silver, iron, coconut oil, salt, cotton, textiles, including silk, sugar-candy, gold, sugar (white). Cotton-thread and sugar-candy were imported from Bombay. While jaggery and brown sugar were obtained from Bangalore.

At present, groundnut grown in the district goes to Coondapur and Mangalore. In normal years, rice is exported mainly to North Kanara, South Kanara and Bellary districts, and ores are sent to Mangalore. Fruits, vegetables, machinery, stationery goods, etc., are imported from Bangalore and salt from South Kanara. Sugar is sent to Mangalore and other parts. Building materials and provisions are exchanged with South Kanara. Arecanut is the main export of Shimoga, Tirthahalli, Sagar, Sorab and Hosanagar. They are also sent to various parts of the country. Large quantities of timber are sold through Government timber depots, and merchants from all over the State purchase them at the auctions. Firewood is sent to Bangalore and other places. Extraction and gathering of several kinds of forest produce have provided employment and trade opportunities. Textiles including silk are imported from Bangalore by road and rail. In recent years, transportation of goods by lorries has become common. There are constant trade contacts with all the neighbouring districts.

Trade centres

The Shimoga city has been a busy trading centre in arecanut and rice. At Nyamati, a considerable amount of trade was carried on in exchange of the products of the *malnad* for those of the *maidan*. It was recorded that much money was made here in cotton trade during the American Civil War in 1864-65. Shikaripur enjoyed a good trade in cloth, jaggery and rice which were the main exports from this place. Buchanan, who visited Sagar in 1801, has described it as a trading town. In recent decades, it has gained further importance as a trading centre. Arecanut, cardamom and pepper are the chief commodities of trade here. Nagar, which had been earlier the capital of the Keladi rulers, had retained its importance when Buchanan visited it in 1801. He found that merchants were resorting to it from all quarters and the mint was maintained and every encouragement was given to merchants. Nagar was famous for first quality arecanut which was exported to Bellary and other places *via* Birur. Various items were brought to Nagar from the *maidan*, partly by the merchants who visited the place to buy arecanut.

Shiralkoppa was a place of trade between western parts of the Shimoga district and the neighbouring parts of the then Bombay and Madras provinces. It was a main depot for jaggery. The merchants used to exchange jaggery for piece-goods, blankets, etc. This town continues to be an important trading centre. Sorab and Sagar have also kept up their high reputation for beautiful sandalwood articles since a long time. Sorab and Tirthahalli towns are also noted for trade in rice, jaggery and arecanut. Some new trade centres have also come up in recent decades. There are about 13 places of commercial importance in the district. They are Shimoga, Bhadravati, Sagar, Sorab, Anavatti, Ripponpet, Shikaripur, Shiralkoppa, Channagiri, Hosanagar, Nyamati, Anandapuram and Talaguppa. Among these, Shimoga, Sagar, Shikaripur, Bhadravati and Channagiri are wholesale trade centres. At all the thirteen places, a good lot of retail trade also takes place. Normally wholesale transactions are effected in arecanut, pepper, soapnut, jaggery, paddy, rice, ragi, jowar, groundnut, cotton, chillies, pulses ginger, mangoes, tamarind, coriander, etc. The transactions are done in the regulated market-yards and also in bazaars. The agricultural produce is taken to *shandies* and to wholesale bazaars, from where the retailers buy their requirements and sell them to consumers.

The need for regulated markets was felt because of the hardships experienced by the cultivators in obtaining a fair price for their commodities. There were malpractices like variations in weighing and measuring, excessive market charges, unauthorised deductions and the like. There was no agency to settle disputes between the sellers and buyers, etc. Before the commencement of the plan period, the State Government had taken various steps in the direction of giving relief to the agriculturists and had enacted and brought into force the Mysore Agricultural Produce Market Act, 1939. In 1966, the Karnataka Agricultural Produce Marketing (Regulation) Act, was passed and was brought into force in this district with effect from 1st May 1968. Under the provisions of this Act, traders and commission agents desiring to function in the market are required to obtain licences. The District Marketing Officer supervises the working of the regulated markets for agricultural commodities and livestock and also of the grading units. There are five regulated markets in the district at Shimoga, Sagar, Channagiri, Shikaripur and Bhadravati. The regulated market committees at the first two places were functioning even before the Karnataka Agricultural Produce Marketing (Regulation) Act, 1966, came into force. The Channagiri Market Committee was started in 1966 while the committees at Shikaripur and Bhadravati commenced work in 1967 and 1971 respectively. There is a sub-market at Shiralkoppa, which was started in 1971 and it is attached to the Shikaripur Market

**Regulated
Markets**

Committee. There are also three other sub-markets at Sorab, Anavatti and Ripponpet which were established in 1972. These markets are attached to the Sagar Market Committee.

The Agricultural Produce Market Committee, Shimoga, was the first such committee to be started in the district. It was formed in 1950 and began to function in 1952 under the provisions of the Mysore Agricultural Produce Market Act, 1939. Its area then comprised Shimoga, Sagar, Tirthahalli, Sorab and Hosanagar taluks of the district and Koppa, Sringeri, Kadur, Tarkere and Mudigere taluks of the Chikmagalur district. In 1969, its jurisdiction was limited to the Shimoga and Tirthahalli taluks of the Shimoga district and Koppa and Sringeri taluks of the Chikmagalur district. The Regulated Market Committee consists of 15 members including seven members from the agricultural constituency, two from traders, one each from the commission agents, the municipality, the Taluk Development Board, etc. The District Marketing Officer is also an *ex-officio* member of the committee. Shimoga has the biggest arecanut market in the State. The varieties called *Saraku, Bette, Gorablu, Kadhasa, Rajalu, Nuli* and *Vanthi-Bette* are the main kinds of arecanut grown in the area. The arecanut produced in the neighbouring districts of Chikmagalur, Hassan and Chitradurga is also brought for sale to Shimoga. The method of sale followed is by tenders. The other notified commodities of this market are paddy, rice, chillies, ragi, jowar, pepper, soapnut and groundnut. About eighty per cent of the total arrivals of arecanut is exported to Tamil Nadu, Andhra Pradesh and Maharashtra and the rest to the neighbouring districts. The State Warehousing Corporation is having its godown in the market-yard here with a capacity of 2,000 metric tonnes. The Shimoga Regulated Market is included in the World Bank Project for the all-round development of regulated markets. It is intended to provide all facilities in the new market-yard. In 1970-71, there were 46 'A' class traders, 84 'B' class traders three 'C' class traders and 210 'D' class traders functioning in the market. By 1972-73, their number had increased to 69, 112, 41 and 266 respectively. There were 53 commission agents in 1970-71. There were also as many as 85 commission agents, 42 processors, 15 weighmen, 131 harnals, a warehouseman and 36 brokers in 1972-73. Whereas in 1970-71, the income was Rs. 2,68,553 and expenditure Rs. 2,52,716 of the Market Committee, the corresponding figures for 1972-73 were Rs. 3,09,786 and Rs. 2,81,962. The particulars of

Regulated
Market
Committee,
Shimoga.

arrivals of notified commodities and their sales value for 1970-71 and 1972-73 were as given below :

Name of commodity	1970-71			1972-73		
	Arrivals in quintals	Sales in quintals	Sales value in Rs.	Arrivals in quintals	Sales in quintals	Sales value in Rs.
Areca nut	85,821	82,973	6,47,84,880	99,644	1,01,938	4,56,09,108
Pepper	51	57	40,925	118	195	1,11,340
Soap nut	467	175	12,599	507	338	38,724
Chillies	10,201	10,199	45,32,966	16,528	15,422	40,02,470
Ragi	14,499	18,082	12,17,970	16,297	10,549	9,48,302
Jowar	24,329	24,410	20,64,191	9,686	15,839	13,31,528
Rice	1,44,823	1,55,072	1,83,88,164	44,163	65,690	92,46,609
Paddy	2,90,132	2,98,077	2,43,43,237	1,92,062	2,05,284	1,76,12,195
Groundnut	24,295	20,714	26,40,515	4,531	4,824	6,01,964
Total	5,94,618	6,09,759	11,80,25,447	3,83,536	4,20,079	7,95,02,240

The Agricultural Produce Market Committee, Sagar, established and began to function in 1960, was reconstituted in 1970 as per the Agricultural Produce Marketing (Regulation) Act, 1966. The important notified agricultural commodities of this market are areca nut, pepper, paddy and chillies. The producers, who bring their commodities approach the commission agents, who after receiving the produce, issue a weight slip with particulars of the commodity and ownership, and the produce is then put up for sale. The licensed traders of the market participate in the sale. This sale is by tenders and one who quotes the highest price gets the produce. When the auction is over, another slip is issued to the producer regarding weight, rate, total amount, marketing charges, etc. The full value of the produce realised is paid to the producer immediately after the sale is effected. All these transactions are effected according to the Agricultural Produce Marketing (Regulation) Act, 1966, and the Rules, and the bye-laws of the Market Committee made thereunder. In 1972-73, there were 5 'A' class, 59 'B' class, 3 'C' class, 15 'D' class traders, 29 commission agents and 18 processors. This market is also included in the World Bank Project for its all-round development. It has been decided to take up various developmental works in the new proposed market yard, for which an extent of 20.25 hectares of land has already been purchased. The income and expenditure of this market for the year 1969-70 were Rs. 91,047 and Rs. 61,745 and the corresponding figures for 1972-73 were Rs. 58,569 and Rs. 74,204. The statement given below indicates

Regulated
Market
Committee,
Sagar

the quantities of arrivals and their sales value for the years 1970-71 and 1972-73 :—

Year	Commodity	Arrivals in quintals	Sales value in Rs.
1970-71	Areca nut	65,833	3,75,66,580
	Pepper	1,352	9,86,960
	Paddy	54,905	38,43,335
1972-73	Areca nut	65,330	2,17,26,886
	Pepper	1,182	6,51,096
	Paddy	43,563	37,41,801

Regulated
Market
Committee,
Shikaripur

The Agricultural Produce Market Committee of Shikaripur, established in 1964, began to work in 1967 with the entire taluk as its area of operation. In 1971, a sub-market was formed for the area of the Shiralkoppa town municipality. Paddy, rice, jowar, ginger, ragi, groundnut, dry chillies, mangoes and cowpea are the notified commodities of this market. While paddy, ginger and chillies are exported from here, ragi, jowar, groundnut and pulses are imported. There were 12 'A' class, 20 'B' class, nine 'C' class and 156 'D' class traders, four commission agents and 25 processors in the market in 1972-73. During 1970-71, the income of this regulated market was Rs. 13,159, while the expenditure was Rs. 17,618 and corresponding figures for 1972-73 were Rs. 39,175 and Rs. 36,012. The statement given below indicates the quantities of arrivals of the notified commodities in the market and their sales value for the years 1970-71 and 1972-73 :—

Commodity	1970-71		1972-73	
	Quintals	Sales value in Rs.	Quintals	Sales value in Rs.
Paddy	17,276	10,25,014	35,893	28,28,190
Rice	2,199	2,16,022	58,834	78,56,090
Jowar	2,081	1,19,595	1,520	1,18,371
Ragi	411	21,827	733	54,943
Jaggery	199	21,319	62	7,460
Ginger	1,690	83,895	835	34,816
Chillies	38	12,050	32	6,600
Pulses	190	19,400	—	—
Total ..	24,084	15,19,122	97,909	1,09,06,470

Shandies

Shandies, which are ancient in origin, facilitated barter trade in the olden days. Generally, dealers as well as producers stock

their goods in these *shandies* and the consumers and middlemen make their purchases in small quantities or in bulk. The *shandies* are helpful to the raiyats and other small producers to find a ready market for their produce and also to get their requirements. The total number of *shandies* being held in the district is 57. The following table gives particulars of some important *shandies* :—

Sl. No.	Place	Taluk	Day of Shandy	Approximate No. of people attending
1	Shimoga	Shimoga	Tuesday	5,000
2	Ayanur	do	Sunday	2,000
3	Honnali	Honnali	Wednesday	3,000
4	Nyamati	do	Friday	1,000
5	Sasvehalli	do	Tuesday	1,000
6	Hosanagar	Hosanagar	Saturday	1,000
7	Shikaripur	Shikaripur	Saturday	2,000
8	Shiralkoppa	do	Sunday	1,500
9	Sagar	Sagar	Thursday	2,500
10	Anandapuram	do	Wednesday	1,500
11	Talaguppa	do	Saturday	1,000
12	Kargal	do	Sunday	1,500
13	Bhadravati	Bhadravati	Sunday	4,000
14	Anaveri	do	Thursday	2,000
15	Holehonnur	do	Saturday	1,500
16	Channagiri	Channagiri	Friday	2,500
17	Santhebennur	do	Thursday	1,000
18	Basavapatna	do	Monday	1,000
19	Nallur	do	Wednesday	1,000
20	Tyavanige	do	Sunday	800
21	Devanahalli	do	Saturday	800
22	Tirthahalli	Tirthahalli	Monday	3,000
23	Sorab	Sorab	Tuesday	800
24	Anavatti	do	Saturday	1,000

A fair or *jatra* is a periodical market held generally once in a year and is also usually associated with religious festivals, socio-cultural activities and varied types of entertainments. There are many temples and other holy places scattered all over the district which attract a number of devotees from within and outside the district on the occasions of certain festivals when fairs are held. These fairs facilitate transactions of trade to a considerable extent and serve as good centres for marketing of commodities and sometimes of cattle also. Most of them are held after

Fairs

the harvest work is over. As many as more than sixty fairs are being held in the district. Brisk sale of cutlery, crockery, utensils, sweetmeats, toys, etc., is also done at the time. The biggest of the fairs is at Islapur (Shimoga taluk), known as Guddekal-Siddheshwara fair held about January for a period of two weeks when about 80,000 people congregate ; a cattle fair also takes place at the same time with about 10,000 head of cattle. Details of some important fairs are given below :—

<i>Sl. No.</i>	<i>Name of place</i>	<i>About the month of</i>	<i>Deity or saint in whose honour jatra is held</i>	<i>Duration</i>	<i>Approximate attendance</i>
1	2	3	4	5	6
Bhadravati taluk :					
1	Sunnadahalli	August-Sept.	Veeranjaneya	2 days	2,000
2	Bhadravati	October	Narasimhaswamy	do	4,000
3	Bhadravati	March	Haladamma	do	5,000
Channagiri taluk :					
1	Basavapatna	Safar-Ka- Mahina	Sarigiro Makkan (Urus)	One day	2,000
2	Devarhalli	March-April	Udumaradi Ranganatha	5 days	2,200
3	Shantisagar	February	Siddheswara	15 days	2,000
Hosanagar taluk :					
1	Kodur	Sept.-Oct.	Ammanaghatta	1 month	1,500 to 4,000
2	Masarur	February	Maramma	1 week	do
3	Karagadi	April	Vinayaka	2 days	do
4	Hulikal	March	Lakshminarasimha	2 days	do
5	Nagar	March	Neelakanthaswamy	do	do
6	Nagar	November	Mahaganapati (Kartikotsava).	1 day	do
7	Ramachandra- pura.	Ramanavami	Ramachandra	1 day	do
8	Hosanagar	February	Marikamba	1 day	do
9	Sampekatte	March	Shambhulinga	2 days	do
10	Humcha	March	Padmavatiyamma	1 day	do
Sagar taluk :					
1	Sagar	Once in three years.	Marikamba	9 days	40,000
2	Keladi	January	Rameshwara	1 day	2,500
Honnali taluk :					
1	Sunkadakatte	March	Narasimhaswamy Manjunathaswamy.	7 days	5,000
2	Ramapura	February	Halaswamy	—	8,000
Tirthahalli taluk :					
	Tirthahalli	Dec.-Jan.	Rameshwara	2 weeks	3,000

1	2	3	4	5	6
Shikaripur taluk :					
1	Shikaripur	April 13th	Huchcharayaswamy	1 week	3,000
2	Togarsi	March 14th	Mallikarjunaswamy	1 month	4,000
3	Bandalike	January	Banashankaramma	3 days	2,000
4	Biliki	March	Veerabhadra	5 days	2,000
Sorab taluk :					
1	Chandragutti	March	Renukamba	15 days	5,000
2	Bankasana	January	Hole-Lingeshwara	1 month	2,000
3	Moodi-doddi-koppa.	February	Shivalingeshwara	15 days	2,000
4	Hirechowti	(Annual)	Jamal Shah (Urus)	3 days	—
Shimoga taluk :					
1	Islapura	January	Guddekal-Siddheswara	2 weeks	80,000
2	Shimoga	April	Kote-Anjaneya	3 days	20,000
3	Shimoga	April	Bheemeshwara	1 day	10,000
4	Shimoga	May	Lakshminarayana	1 day	10,000
5	Kudli	March	Sangameshwara	2 weeks	15,000
6	Kudli	October	Brahmeshwara	3 days	10,000
7	Kudli	March	Rameshwara	1 day	10,000
8	Kudli	November	Chintamani- Narasimha	1 day	10,000
9	Hosahalli	April	Channakeshava	3 days	2,000
10	Pillangere	July	Venkataramana	1 day	30,000
11	Kumsi	May	do	1 day	3,000
12	Gajanur	May	Veerabhadra	1 day	5,000
13	Benavalli	April	do	1 day	5,000
14	Harnahalli	April	Gopalakrishna	1 day	3,000
15	Maleshankara	April	Maleshankara	1 day	5,000

With the development of trade and agriculture in the district, the need for storage facilities was much felt. After the enactment of the Central Law called the Agricultural Produce (Development of Warehouses) Corporation Act, 1956 (Act XXVIII), a Warehousing Corporation was established in every state. The Karnataka State Warehousing Corporation has a warehouse each at Shimoga and Sagar opened in 1961 and 1963 respectively. Two rural warehouses one each at Purle, and Gajanur, which are attached to the Shimoga warehouse, are functioning since 1972, for storing foodgrains and other agricultural produce. The Corporation has constructed its own building with a capacity of 2,000 mts. in Shimoga. An additional building for increasing its capacity by 1,500 mts. is also being constructed. A market survey for opening warehouses at some other places also has been taken up.

A new scheme called "Comprehensive Disinfestation Service" is being implemented by going to the door-steps of the farmers, traders and other depositors for preserving their stock and for

preventing wastage due to insects and rodents. Facilities are being made available for preserving foodgrains on scientific lines with the help of technically trained personnel of the Corporation. The farmers, who are depositors, are being supplied with information regarding prevailing market rates to enable them to secure good prices. The Reserve Bank of India is also extending advance facilities against warehouse receipts, especially to the farmers, so that an individual cultivator becomes eligible to draw an advance upto Rs. 25,000 without any risk, against his stock of goods in the warehouse. Under a massive programme for extending godown facilities in the rural areas, which is being implemented under the plan programme under the supervision of the Co-operative Department, godowns of different sizes have been constructed by the Taluk Agricultural Produce Co-operative Marketing Societies and also by other societies. There were about 121 such godowns in the district, the largest number of them (19) being in the Channagiri taluk and the smallest number (9) being in Sagar taluk. By the end of 30th June 1973, the total number of godowns sanctioned was 181 with a total estimated capacity of 970 mts.

State trading

State trading in paddy was introduced in the district in 1955-56 under the Essential Commodities Act. Under the Procurement of Levy Paddy Order, the target fixed for the district was 3,38,000 quintals of paddy for 1973-74, while the actual procurement during the year was 2,92,520 quintals, as against 1,79,095 in 1972-73 and 92,372 quintals in 1971-72. During the crop year 1973-74, there were 198 purchase points in the district, the largest number of them (30) being in Sagar taluk and the smallest number (13) being in Channagiri taluk. All the Taluk Agricultural Produce Marketing Societies in the district, except that of Hosanagar, have been appointed as agencies of the Karnataka State Food and Civil Supplies Corporation. The notified rates fixed for the purchase of four varieties of paddy during 1973-74 were Rs. 70 for coarse, Rs. 75 for medium, Rs. 80 for fine and Rs. 85 for superfine quality per quintal.

Fair price shops

There is no statutory rationing in the district. However, the informal rationing system was introduced in the district from January 1972. As in April 1974, there were 547 fair price shops working in the district of which 407 were in the rural areas and the rest in the urban areas. Among the fair price depots working in the rural parts, 220 were in the co-operative fold and the remaining 187 were managed by private and other agencies. In the case of shops functioning in the urban centres, 63 of them were managed by co-operatives and the rest (77) by private and other agencies. When the total urban population of the district is taken into consideration, as in 1971, it can be said that each fair price shop in the urban area served, on an average, about 2,195 persons, while the corresponding figure for the rural area was about 2,442.

The statement given below indicates taluk-wise and management-wise number of fair price shops in the district as in April 1974 :—

Sl. No.	Name of taluk	Co-operative	Private	Others	Total
1	Shimoga	28	72	7	107
2	Bhadravati	30	19	5	54
3	Channagiri	25	—	40	65
4	Honnali	48	6	21	75
5	Shikaripur	24	43	1	68
6	Sorab	27	—	32	59
7	Sagar	45	—	3	48
8	Hosanagar	19	1	11	31
9	Tirthahalli	37	—	3	40
Total ..		283	141	123	547

There are a number of associations of traders and merchants connected with different trades, industries and occupations at several centres and many of them are in Shimoga city. Associations like the Shimoga Chamber of Commerce, Chemists and Druggists Associations, Areca Mandy Merchants Association, Small Traders Association, etc., have been formed with the objectives of maintaining close co-operation and co-ordination amongst the members and formulating a common policy and devising ways and means for promotion of their interests. Sometimes, these trade associations also strive to settle disputes among the traders.

Trade
associations

The Shimoga Arecanut Mandy Merchants Association was established in 1965 with a view to promoting the interests of arecanut, soapnut, pepper and other allied trades and also for encouraging mutual help and co-operation among the arecanut merchants of Shimoga. The Association also collects statistical and other information relating to arecanut, soapnut and pepper and other general commercial matters, classifies and disseminates the same. Any firm, association or society or company incorporated under law or regulation, interested directly or indirectly in trading as arecanut mandy merchants in the city is eligible for membership. There were 62 members in the Association as in March 1974. The membership subscription varies from Rs. 120 to Rs. 300 per year.

Mandy
Merchants
Association

The Chamber of Commerce, Shimoga, was registered and started in 1965, with the objectives of promoting the interests of the trading community and healthy practices in trade. At present (1974), it has 110 members. About 13 trade associations like the General Merchants Association, Grain Merchants Association, Medical Merchants Association, Timber Merchants Association are the associated member organisations of this Chamber of Commerce. It is associated also with service organisations like the Rotary Club, Lions Club. The institution

Shimoga
Chamber of
Commerce

organises educative lectures relating to trade and commerce and takes interest in obtaining facilities for the establishment of small-scale industries in the district. Annual subscriptions of members and donations are the sources of income of the Chamber.

The standard metric weights and measures of various capacities prescribed under the Karnataka Weights and Measures (Enforcement) Act, 1958, and Rules made thereunder are now employed in business transactions all over the district. An office of the Assistant Controller of Weights and Measures was established at Shimoga in 1962. Before the introduction of the metric system of weights and measures, the old systems were not satisfactory, there being no definite and uniform standards of weights and measures. Usually, grains were sold by *seer* measure. A *seer* of 24 tolas was used for weighing of vegetables, while a *seer* of 36 tolas was in vogue for weighing butter, whereas for weighing of mutton and fish a *seer* of 80 tolas was made use of. Bengali maunds of 28 lbs. were utilised for the weighing of cotton, jaggery, arecanut, tamarind, chillies, iron scraps, etc. While fire-wood was sold in *maunds* of 48 *seers*, edible oils were sold by *one-fourth seer* measure calling it also a *seer*. As in June 1973, there were 5,155 traders, 61 industrial establishments, 74 petrol and high-speed diesel pumps in the district which came under the bi-annual verification of the Department of Weights and Measures, yielding a total annual revenue of about Rs. 30,000. The weights and measures together with their principal multiples and sub-multiples that were in vogue before the introduction of the metric system were as detailed below :—

Weights :

180 grains troy	=	Tola
One-eighth <i>seer</i> (3 tolas)	=	Arpavu
One-fourth <i>seer</i> (6 tolas)	=	Pavu
Half <i>seer</i> (12 tolas)	=	Achervu
One <i>seer</i> (24 tolas)	=	Sevu
One-and-a-quarter <i>seers</i>	=	Savaseru
Two-and-a-half <i>seers</i>	=	Adiseru
Five <i>seers</i>	=	Pancheru or visa
Ten <i>seers</i>	=	Dhadya
Maund of 40 <i>seers</i>	=	Manna

Measures of capacity :

One-sixteenth <i>seer</i>	=	Chataku
One-sixth <i>seer</i>	=	Arpavu
One-fourth <i>seer</i>	=	Pavu
Half <i>seer</i>	=	Achervu
One <i>seer</i>	=	Sevu
Four <i>seers</i>	=	Balla
Eight <i>seers</i>	=	Kolaga
One hundred <i>seers</i>	=	Palla
20 <i>Kolagas</i> or 160 <i>seers</i>	=	Khandi

Weights and
measures