

CHAPTER VI

BANKING, TRADE AND COMMERCE

PART A—BANKING AND FINANCE

Indigenous Banking

TUMKUR district is not different from other districts of the State in regard to the history of indigenous banking. Though precise information is not available, it can be said that a system of borrowing for the furtherance of trade and other business was prevalent in the area. The proverbial middleman, who played a prominent role in the rural economic scene, took away a large portion of the profits of agriculturists by interposing himself in the rural transactions. Indigenous money-lenders and bankers existed in almost all places and advanced money to those who wanted it urgently for the pursuit of agricultural and business operations. The money-lenders not only supplied cash but also dealt in grains. They went about purchasing grains during harvest time, and having stored them, waited for the prices to rise. By this process, they acquired wealth and firmly established themselves as indigenous bankers. While the small money-lender gave money on trust and faith, the indigenous banker advanced it on production of sureties and securities.

In Tumkur district, indigenous banking was largely in the hands of some families of Vaishyas and Jains and, later on, the Marwaris and Multanis came on the scene. These indigenous bankers and money-lenders were found in all urban areas and they used to move about or send their agents to find the need for credit in the agricultural areas. It is worthwhile to describe here how these indigenous money-lenders and bankers advanced credit. One of their usual methods was to lend money on a written demand or promissory note, which, in the case of larger loans, had to be attested by sureties. Other methods in vogue were the receipt method, the bond method, mortgage of lands and immovable properties and finally discount of hundies. This system of money lending continued till 1904, when the co-operative movement was introduced in order to minimise the evils inherent in the old system of borrowing money.

<i>Sl. No.</i>	<i>Type of loan</i>	<i>Allotment of funds</i>	<i>Amount of loan</i>
1	2	3	4
		Rs.	Rs.
1.	Taccavi Loan ..	2,76,750	2,76,705
2.	Land Improvement Loan ..	2,15,000	2,13,015
3.	Loan for Irrigation Wells (Liberalised Scheme).	4,82,884	3,78,657
4.	Loan for Irrigation Wells from Block funds.	1,92,050	1,72,390
5.	Loan for deepening the existing Irrigation Wells.	1,25,000	1,20,750

In addition, the co-operative institutions like Agricultural Credit Societies and Land Development Banks also advance both short-term and long-term loans to cultivators for purchase of fertilisers and agricultural implements, for construction of irrigation wells, for land development works and for such other purposes. The particulars of loans advanced by these institutions are given elsewhere in this chapter.

Commercial Banks

Banking has been an important economic activity in the district for the last about five decades and has attracted a considerable amount of capital by way of deposits. With the gradual growth of industry, trade and commerce, more and more branches of various commercial banks came to be established in the district in all the important industrial and commercial centres. None of them, however, has its registered office in this district. Though the Town Co-operative Bank at Sira was the earliest banking institution to be established in the district, as early as 1906, the Tiptur branch of the State Bank of Mysore was the earliest among the commercial banks, having been established in 1913. Since then, the bank has established eight more branches in the district. The Pangal Nayak Bank Ltd., which has its registered office at Udipi in South Kanara district, has also opened four branches in the district, while the Syndicate Bank Ltd., which has its registered office at Manipal in South Kanara district, has opened two branches. The Canara Bank Ltd., and the Karnataka Bank Ltd., both of which have their registered offices at Mangalore, have also opened a branch each in the district. Thus, in all, there were 17 branches of commercial banking institu-

construction of godowns, for purchase of machinery on hire-purchase basis and for such other purposes. The Bank has been linked up with a network of taluk rural industrial co-operative societies and other industrial and craft co-operative societies in the district.

The Grain Merchants' Co-operative Bank Ltd., Tumkur, was established in December 1963 and its area of operation is limited to the area of the Tumkur Town Municipality. The membership of the Bank is open to only the members of the Tumkur Grain Merchants' Association. The main objective of the Bank is to provide financial facilities to the grain merchants of the town by advancing them loans, discounting their bills of exchange, hundies, etc., and to transact such other business as are conducive to the interests of its members.

Grain
Merchants'
Co-operative
Bank, Tumkur

As on 30th June 1967, there were 359 members on the rolls of the Bank with a paid-up share capital of Rs. 2.39 lakhs as against the authorised capital of five lakhs of rupees. The total deposits held by the Bank as on that date was Rs. 9,74,884, while its total borrowings stood at Rs. 1.50 lakhs. The total loans advanced to the members, as on 30th June 1967, was Rs. 10,83,518, mainly in the form of surety and produce loans. The Bank had invested a sum of Rs. 1.15 lakhs in the District Co-operative Central Bank Ltd., Tumkur.

With a view to providing for the financial needs of the merchants of Turuvekere, the Merchants' Co-operative Bank Ltd., Turuvekere, was established in September 1964. The authorised and subscribed share capital of the Bank, as in October 1967, was Rs. 2.50 lakhs. It held deposits of various kinds amounting to Rs. 46,674 and advanced loans to its members to the extent of Rs. 9,99,510. It had borrowed Rs. 4.74 lakhs from the District Co-operative Central Bank Ltd., Tumkur.

Turuvekere
Merchants'
Co-operative
Bank

At the beginning of 1961-62, there were, in all, 1,094 co-operative societies of several types in the district, the coverage of co-operative credit being about 65 to 70 per cent. The total membership of all these co-operative institutions in the district then was 1,13,672, with a total share amount of Rs. 54.03 lakhs. By 1965, the total membership of co-operative societies in the district had increased to 1.74 lakhs, while the number of societies had come down to 967. The decrease in the number of institutions was mainly due to the amalgamation of some of the small-sized societies so as to form large-sized societies. By the middle of 1966, both the number of societies and their membership had increased to 1,029 and 1.93 lakhs, respectively. By 30th June 1967, the number of societies had increased still further to 1,037. The

Co-operative
Societies

subjoined table indicates the general working of the co-operative societies in the district during the years 1964-65 and 1965-66 :—

Sl. No.	Particulars	1964-65	1965-66
1.	Number of co-operative societies.	967	1,029
2.	Number of members ..	1.74 lakhs	1.93 lakhs
3.	Share capital (in lakhs of rupees) .	102.93	110.53
4.	Reserve and other funds (in lakhs of rupees) .	35.98	33.83
5.	Total deposits (in lakhs of rupees) .	69.24	63.03
6.	Total borrowings (in lakhs of rupees) .	330.86	408.79
7.	Working capital (in lakhs of rupees) .	537.10	618.33
8.	Loans advanced (in lakhs of rupees) .	223.93	158.65
9.	Loans recovered (in lakhs of rupees) .	183.48	104.78
10.	Loans outstanding (in lakhs of rupees) .	375.44	444.84

The Agricultural Credit Co-operative Societies constitute the bulk of the co-operative credit institutions in the district. Providing of short-term and medium-term loans to their members is their main function. Loans are advanced mostly on personal security of the borrower supplemented by the guarantee of two sureties, mainly for agricultural purposes and, to a limited extent, for domestic purposes. The loans are provided for meeting the expenses in respect of implements, seeds, manures, etc. Medium-term loans are granted for purchase of bullocks, carts, for land improvement works and for ceremonial expenses. There is a limit fixed to the normal amount of credit that may be granted to each member. Loans are generally given in cash, but, of late, where the purpose of loan permits and a suitable organisation exists, it is increasingly being advanced in kind. Agricultural
Credit Societies

Although these societies are primarily the agencies for supplying credit, a few other points of contact with the economic life of the members have also been provided by the recent trends in the evolution of co-operative movement. There has been a steady and all-round progress in the working of these societies over the years, both quantitatively and qualitatively. Increase is noticed not only in the number of societies but also in their membership, share capital and working capital. During 1965, there were 535 Agricultural Credit Societies in the district with a membership of

With the shifting of the market to the new yard, the old system of auction of commodities has been changed. Formerly, the 'chamber system of auction' was in vogue for copra. The merchants used to assemble in a chamber and used to bid on the sample brought by *dallalis* or brokers. This system was also called 'sale by sample basis'. Now the 'open auction system' has been introduced. Under this system, auctioneers appointed by the Committee are engaged for the conduct of auctions of all the commodities and the sales are confirmed by the Secretary or his deputy in favour of the highest bidders and agreements are executed in this regard on the spot itself. Commercial grading of coconuts has also been introduced in the market. During 1966-67, about 53 lakhs of coconuts valued at Rs. 16.67 lakhs were graded.

Next in importance to the Tiptur Regulated Market, comes the Regulated Market at Tumkur, which was established in 1952. This is also one of the bigger markets in the old Mysore area. The commodities which are brought under regulation in this market are groundnut, arecanut, tamarind, jaggery, soapnut, *honge* seed, *hippe* seed, castor-seed, *huchellu*, *achellu*, *avare*, horsegram, paddy, ragi and coconut, the most prominent of all the commodities regulated being arecanut. Tumkur district had about 8,437 acres under arecanut cultivation during 1966-67 and this is calculated to be about nine per cent of the total area under arecanut cultivation in the State. The following statement shows the arrivals of arecanut in the Tumkur Regulated Market and their value during the period from 1961-62 to 1966-67 :—

Regulated
Market,
Tumkur

Year	Quantity in quintals	Value in Rs.
1961-62	9,021	54,48,720
1962-63	10,050	55,74,240
1963-64	14,083	65,70,848
1964-65	12,738	78,98,550
1965-66	14,601	99,91,500
1966-67	11,597	91,67,150

The following statement indicates the arrivals of other prominent commodities in the market during 1966-67 and their value :—

Commodity	Quantity in quintals	Value in Rs.
Jaggery	73,654	66,72,580
Groundnut	50,633	1,05,71,580
Castor	12,022	16,22,824
Coconut	21,00,100 (nuts)	8,22,370

There were, during 1966-67, 16 traders, 22 commission agents, 30 weighmen, 18 *hamals* and 1,386 casual traders in the market. The income of the Market Committee during the year was Rs. 15,436. The Government have so far sanctioned loans to the extent of Rs. 30,000 for developing the market. Construction of a market-yard on a site measuring 7.4 acres along the Bangalore—Poona National Highway was in progress.

Prior to the establishment of the Turuvekere Regulated Market, the entire Turuvekere taluk was under the jurisdiction of the Tiptur Regulated Market. Turuvekere taluk also being one of the important coconut growing areas in the district, it was felt necessary to have a regulated market at Turuvekere as the growers of coconut had to carry their produce all the way to Tiptur for marketing them. A regulated market was accordingly established at Turuvekere in August 1959. The commodities brought under regulation in the market are copra, coconut, paddy, ragi, tamarind, jaggery, arecanut, castor, *seegu*, chillies, *honge* seed, groundnut, horsegram, *avare*, jowar and soapnut. In 1966-67, there were 17 traders-cum-commission agents, seven commission agents, four *hamals* and three weighmen in the market. The subjoined statement indicates the arrivals of some of the prominent commodities and their value during 1966-67 :—

Regulated
Market,
Turuvekere

<i>Commodity</i>	<i>Arrivals in quintals</i>	<i>Value in Rs.</i>
Copra	3,781	1,13,410
Coconut	7,03,010 (nuts)	2,46,057
Jaggery	3,184	2,86,560
<i>Seegu</i>	6,231	2,17,065
Ragi	4,690	4,22,100
Jowar	8,100	7,29,000
Arecanut	774	61,920

The income of the Market Committee during 1966-67 was Rs. 11,029.

The Regulated Market, Madhugiri, was established in August 1960. The commodities regulated are paddy, ragi, arecanut, niger, castor, tobacco, *honge* seed, jaggery and horsegram. The state-

Regulated
Market,
Madhugiri

The Warehouse provides not only safe storage facilities to agriculturists for their produce, but also credit facilities on warehouse receipts at concessional rates of interest from the banks.

Religious fairs or *jatras* are held in all taluks of the district and these have assumed special importance in the trade trends of the area. People congregate in great numbers to avail themselves of the opportunity to buy their necessities, and thus, these fairs, though generally religious in character, also afford considerable opportunities to canalise trade. These fairs are generally held in places where important temples are situated. When the annual festival takes place, a *jatra* is also held lasting from three to ten days. The Siddhalingeswara *jatra* at Siddhaganga near Tumkur town, Udasamma *jatra* at Turuvekere, Shambhulingeshwara *jatra* at Pura, Mahalingeshwaraswamy *jatra* at Lakkammanahalli, Gangadhareshwaraswamy *jatra* at Amanikere and Honnammadevi *jatra* at Dandinashivara are among the prominent fairs in the district, where not only the general trade but also trade in cattle takes place on a considerable scale. The Anjaneyaswamy fair at Kallur is also important as a cattle fair. The Sri Narasimhaswamy fair at Devarayanadurga is one of the largest general fairs, (*i.e.*, other than cattle fairs). The following statement indicates some of the prominent fairs in Tumkur district :—

<i>Sl. No.</i>	<i>Name of the fair</i>	<i>Place where held</i>	<i>Taluk</i>	<i>Duration (in days)</i>	<i>Date of commencement</i>
1	2	3	4	5	6
1.	Narasimhaswamy Jatra	Devarayanadurga.	Tumkur	3	Phalguna Shuddha Pournima.
2.	Siddhalingeswara Jatra	Siddhaganga	do	10	Mahashivaratri.
3.	Anjaneyaswamy Jatra	Kyamannahalli.	Koratagere	12	Magha Shuddha Saptami.
4.	Dandinamamma Jatra.	Madhugiri town.	Madhugiri	10	Phalguna Shuddha 2nd Tuesday.
5.	Patnayakanahalli Cattle Fair.	Patnayakanahalli.	Sira	10	Pushya Shuddha Pournima.
6.	Tavarekere Jatra ..	Tavarekere	Sira	10	Magha Shuddha Saptami.
7.	Narasimhaswamy Jatra	Seebi	do	10	Magha Bahula Bidige.
8.	Subramanyaswamy Jatra.	Nagalamadike	Pavagada	8	Pushya Shuddha Shashti.

1	2	3	4
5.	Gubbi ..	.. Kallur .. Mavinahalli .. Kalaghattamma Devasthana .. Chandrasekharapura .. Kadaba .. Nittur .. Kondli .. Doddaguni .. Bidare .. Hagalvadi .. Chelur ..	.. Thursday .. Saturday Tuesday .. Wednesday .. Sunday .. Friday .. Sunday .. Wednesday .. Friday .. Wednesday .. Sunday
6.	Sira ..	.. Kallambella .. Chirthahalli .. Baragur .. Tavarekere .. Hosur .. Bukkapatna .. Harogere .. Bhutanagudi .. Guligenahalli ..	.. Sunday .. Monday .. Wednesday .. Friday .. Wednesday .. Wednesday .. Wednesday .. Saturday .. Friday
7.	Tiptur ..	.. Kibbanahalli .. Biligere .. Hongelakshmi Devasthana .. Nonavinakere .. Konehalli .. Kalammanagudda .. Honnavalli .. Halkurke .. Besige .. Dasarighatta ..	.. Thursday .. Thursday Friday .. Wednesday .. Tuesday .. Tuesday .. Monday .. Wednesday .. Monday .. Wednesday
8.	Chiknayakanahalli ..	.. Hulyiar .. Handanakere .. Kandikere .. Mathighatta .. Doddayennagere .. Dasudi ..	.. Thursday .. Saturday .. Tuesday .. Friday .. Monday .. Thursday
9.	Kunigal ..	.. Nagasandra .. Hutridurga .. Huliyurdurga .. Kodavatti .. Ujjani .. R. Byadarahalli .. Amruthur .. Yedeyur .. Honnamachanahalli .. Marconahalli .. Yadavanne ..	.. Monday .. Sunday .. Thursday .. Monday .. Friday .. Monday .. Thursday .. Friday .. Sunday .. Sunday .. Friday

Principal foodgrains like rice, ragi, jowar and wheat are sold in all these fair price shops at reasonable prices.

Weights and Measures

The weights in use in the district till the introduction of the metric system were the standard *maund* of 40 seers, the seer of 24 *tolas* and the five-seers weight familiarly called *pancheru* or *viss*. Liquids were either measured or weighed according to local practices. Ghee and butter were weighed employing the *viss* as the unit weight and oils were measured employing the standard seer as the unit. Petrol and diesel oil were sold to customers using the gallon as the unit. With the introduction of the metric system, these old units have changed. The metric system of weights and measures was introduced all over the district in 1960 and the traders of the district are now following this system. The units of weights now in use are kilograms and grams, petrol and diesel oil are sold in litres (See also Appendix). A good deal of propaganda has been done by the Department of Weights and Measures to familiarise the people with the new system.
