

Chapter VI

BANKING, CO-OPERATION, TRADE AND COMMERCE

Among other things, the economic activities associated with the organized and unorganized sectors of Banking; the formation of Co-operative institutions to facilitate for an easy and smooth flow of agricultural credit at a reasonable rate of interest to agriculture and allied activities in rural areas; promotion of trade and commerce and related activities; in addition to creating congenial atmosphere for the free and unhindered growth of above activities supported by good means of Transport and communication facilities and other infrastructures, well-organized Regulated markets, Warehousing etc., will really stimulate and contribute for the acceleration of economic growth of the country by generating income, capital formation through savings, and its proper investment through productive channels.

The concept of Banking as a financial institution and its functions, viz., *modus operandi* etc., have changed from time to time, keeping in tune with the economic, social and political changes that have taken place from time to time. But, the basic or core concept remains more or less unchanged i.e., accepting deposits from the general public for lending or investment repayable on demand or otherwise. It is a well-known fact that the money earns money in the free economy. It is observed that Banking as an Organized financial institution, governed by the regulations and control of the Government, has responded positively in bringing out socio-economic transformation in the backward areas, and the neglected sectors of the economy have been stimulated by means of adequate and targeted advances to the selected priority sectors like Agriculture, Small Scale and rural industries and lending to weaker and backward sections of the society. This happened especially during the period of post Nationalization decades.

Karnataka has a rich and credible historical and cultural heritage in managing public money or public finance by socio-religious institutions which existed during early and medieval period.

Temples also acted as banks and the socio-economic activities of the society revolved around the temples. There are abundant inscriptional, literary and other historical evidences which fully attest that during ancient and medieval period, there existed the system of indigenous banking on a wide scale run by the local merchants, traders, besides collectively by the trade guilds, merchant's associations, temples and local authorities. These 'community bankers' were acting as trustees for the public money. Temples and monasteries too acted as public banks, trusts, and public warehouses enjoying the confidence of the general public as well as local authorities and the royal families. There are literary evidences about the existence of money lending practices in India, even during the Vedic times (1200-1400 BC). Usury was practiced but was held in contempt by Manu. Kautilya's '*arthashastra*' recommends a rate of interest ranging from 15 to 60% per annum for both secured and unsecured loans.

Karnataka has a unique and outstanding place in the annals of modern history of Indian Banking. It has an indelible place in the banking map of India. The rich contributions by our native *swadeshi* entrepreneurs influenced by the "*swadeshi* movement", especially from the former coastal district of South Canara (now Udupi and Dakshina Kannada districts) and the contribution by the enterprising traders and social workers of Bombay Karnataka areas for the promotion of Co-operative Banks in the beginning during 1905-06, when the Co-operative movement had just launched in India; are worth recording for their illustrious services to the society. In Karnataka, the history of Urban Co-operative banking movement may be traced even before the commencement of Commercial banking. Today, Karnataka ranks third in the Urban Co-operative Banking sector in the country, next only to Gujarat and Maharashtra.

Modern Banking history of India in general and organized sector in particular, is of about 200 years old, having experienced many ups and downs

during the course of time. The establishment of three Presidency Banks in the then Presidency towns with the financial and administrative participation by the East India Co., viz., the Bank of Bengal in Calcutta (1806), the Bank of Bombay (1840) and the Bank of Madras (1843), heralded the beginning of modern banking practices during the British rule. Even earlier to this, there were sporadic efforts for establishing Banks in private sector by the Joint Stock Companies formed by the British Agency Houses, but the lifespan of these institutions was limited due to various reasons. In course of time, these Presidency Banks were allowed to open branches and permitted to issue notes etc., within their jurisdiction.

Our present day banking practice is much more influenced by the Bank of England, established on 27th July 1694, formerly called the Governor and Company of the Bank of England, was the Central Bank of the United Kingdom and the model on which most modern central banks have been designed.



An old photograph of Bank of England



State Bank of Mysuru,
Bengaluru



Reserve Bank of India
Calcutta



A.T.M. Unit

In India the modern banking system was initiated with the establishment of the Presidency Bank of Bengal at Kolkata (formerly called Calcutta) in 1806. In course of time, a branch opened by the Bombay Presidency Bank at Dharwad, as early as in 1863, is considered to be the earliest organized public sector bank branch in Karnataka; followed by a branch of Madras Presidency Bank, established at Bangalore Cantonment (the

present Regional Office of SBI) during 1864. In course of time, many more branches were opened by the Bombay and Madras Presidency Banks to cater the financial needs of European traders and Business Houses engaged in the export of Indian goods. Later, Bombay Presidency Bank opened its branches at Belgaum (1867), Hubli (1870), and Kumta (1872). Dharwad and Kumta branches were opened mainly to facilitate cotton traders during the cotton boom caused by American Civil War (1862-65). Madras Bank opened its branch at Mangaluru (1867) to facilitate the coastal traders and missionaries engaged in industries. Later in 1921, Imperial Bank of India was constituted as a result of the merger of these three Presidency Banks which consolidated and strengthened the Banking activities in India. After independence, in order to have strong capital base and to serve larger sections of the society, the then Imperial Bank was reconstituted as State Bank India in 1955 July, with the merger of seven state owned banks founded by the princely states, now called Associates of SBI group, which is the leading Commercial Bank in India with largest number of branches and volume of Banking business in India.

Unorganized Banking Sector

As elsewhere in the country, in Karnataka also, in the absence of adequate number of agencies or Financial Institutions to cater to the growing needs for credit in the public or Co-operative sector, the Private Money-lenders, the Pawn Brokers, Finance Co-operatives, Chit funds and the like, categorized as indigenous bankers have dominated the rural agrarian economy, especially in meeting the credit requirements of agriculturists, land labourers, artisans, rural craft-men, land less agriculturists, small and marginal farmers, petty traders, etc., These private money-lenders are called by different names in different parts of the country viz., *sahukars*, *zamindars*, *baniyas*, *chettiyars*, *mahajans*, *sherooffs*, *shets*, *marwadis*, etc.,

Since the beginning, the money lending practice is considered as a profitable business and easy means to earn. It can be practiced by all communities who ever had surplus funds of their own. Even though, Co-operatives, commercial banks and government agencies were extending agricultural credit liberally, it is very meager about 20 to 30% only, compared to the growing

demand for agricultural credit and for other allied operations to support agriculture. There was a wide miss match between the demand and supply of rural credit. The business, communities from north India like *marwadis, gujaratis, jains, multhani and other bankers, and chettiyars* from Tamil Nadu came and settled in important trading centres of Karnataka, with the fall of Tipu in 1799, they flourished well. These migrated money lenders joined the local fraternity. They combined both banking and trading including Pawn brokering, and were also engaged in *hundi* (bill of exchange) business.

There are number of instances wherein some of these powerful and rich money lenders used to finance the local rulers or royal families and in turn used to enjoy the rights and privileges of collection of local land revenue or tolls etc., and some of them even used to manage royal mints, and exchange of currencies. There are records to attest the existence of very rich money-lenders in Bangalore during 18th century. Hyder Ali while serving in the Mysuru army borrowed a huge sum of ₹ Four lakh from the bankers' of Bangalore in 1760, in order to carry out his military operations. It is also recorded that Hyder Ali himself was engaged in some kind of financing or money lending, "if he happens to advance money to any one of his servants, the third part of his pay was to be stopped, until the borrowed amount was refunded".

It is also recorded that Asaf Zahi rulers (Nazam of Hyderabad) in 1820 during resident Charles Metcalf's tenure, had borrowed a huge sum on exorbitant rate of interest (60%) p.a. from PAMAR & CO., Calcutta, to clear the debt of East India Co., Further in 1851, the Nizam had to surrender or assign the income of Raichur and other areas to East India Co., for his inability to clear the debt.

Bangalore (Cantonment) the Hub of Money Lending

After the fall of Tipu in 1799, during the British rule, Bangalore Cantonment was formed in 1809 and it was well known for its money lending business on large scale by the European money-lenders, including the widows of many deceased British army officers'. There were also a good number of Native Bankers known as "*hindu sahlukars*".

The flourishing rampant money-lending business without any effective legal control measures naturally enhanced the scope for the legal disputes among the debtors and creditors. In order to redress the legal disputes and early settlement of cases, special "Small Cause" courts to deal with monetary transactions up to ₹ 500/- were established in 1863, mainly to facilitate, the European women engaged in money lending, "because respectable ladies found it inconvenient to attend the courts meant for commoners".

The *modus operandi* of the native money lenders of Bangalore cantonment and their special character features were of much interesting to observe, as illustrated by the British Prime Minister Winston Churchill, who was stationed at Bangalore in 1895 as an army officer; According to his memoirs the rate of interest charged by the native money lenders was two percent per month and they made quite good living out of it. He describes them as "gentlemen and found them most agreeable, very fat, very urbane, quite honest and mercilessly rapacious. They hardly ever had bad debts"

"A Guide to Bangalore-1905" remarks that the *sahukar* is quite an institution in Bangalore and every regiment had its own *sahukars* through whose hands a large sum of government money passes. He is veritable blood Sucker and soon amasses a fortune. Besides being a banker he is a Pawn Broker. They are to be found ever willing to accommodate on security or otherwise the needs of all classes". They are described as Hindu Bankers and *sahukars*.

Regulations: Once totally free from any regulations, money lending business amounted to various types of abuses and exploitations of the poor, helpless, and unorganized sections of the society in addition to usurious practices. Subsequently, as a preventive measure, money-lending profession came under the regulatory control by the State Government from time to time by enacting series of legislations in order to prevent, various types of exploitations, abuses by some of the unscrupulous money lenders. The earliest legislation in this respect was enacted in 1939 and the latest being in 1961 and several amendments have been incorporated to suit the changes that have taken place from time to time. By the end of March 2011, there were 2,744 money

lenders, 8146 pawn brokers and 7,722 finance corporations working in the State. The License Fees paid by the above institutions for 2010-2011 was ₹ 387.67 lakh and the security deposit paid for 2010-11 was ₹ 2,899.14 lakhs. The maximum rate of interest chargeable by these institutions is 14% for secured and 16% for unsecured loans from 28-8-2003, as reported by the Department of Co-operation, Government of Karnataka. At present, all money lending, Pawn Brokering, Chit funds including finance corporations, N.B.F.I.S. and the like are fully controlled and regulated. State Government is empowered to fix the lending rates by the money lenders both on secured and unsecured loans from time to time. In spite of several regulatory measures, money lending is widely practiced both in Rural and Urban areas with or without licenses and regulations. It is mainly based on mutual consent and confidence.

Mushroom Growth of Banking

Prior to independence, in the absence of strict regulatory measures there was a mushroom growth of Banking Companies without adequate capital base, expertization, professionalism, enterprising skill and trained human resources etc., the enactment of Banking Regulation Act 1949, and earlier to this, the establishment of the Central Banking Institution (Apex) for the country i.e., Reserve Bank of India in 1935; subsequent legislations and measures like the establishment of Deposit Insurance Corporation of India in 1961 to safeguard the interests of the depositors and to infuse confidence in them; the Social Control Orders in 1968, followed by historic events of Nationalization of major commercial banks in 1969 (first phase) and its second phase in 1980; besides the liberal policy adopted by RBI regarding the merger and amalgamation of smaller banks into the fold of big banks and other measures consolidated and strengthened the banking structure of the country financially, and large scale geographical expansion and networking of branches was made possible. In 1976, the policy of launching of Regional Rural Banks reduced the wide gap of banking services between the urban and rural areas; there by the policy and program of integrated rural development was streamlined and banking became an effective institution in bringing out the Socio-economic transformation in the rural areas by adopting Lead Bank Scheme, priority sector advances and many other community

development oriented schemes. Both the Micro and Macro level of development was emphasized during the period immediately followed by the Nationalization (1969).

According to available sources, nearly half of the total numbers of banks in the state were founded during 1930-1940s. Earlier to this, the *swadeshi* movement (1906) had also contributed much, locally among the native entrepreneurs, comprising of lawyers, doctors, *zamindars*, merchants, civil servants, missionaries, social workers, industrialists etc., to promote their own banks mainly to serve their own communities. In those days community based banks were promoted, with impressive names, emotionally attracting people under the banners of caste, community, region, language, religion etc., Many a times, the local community spirit and sentiments contributed much for the speedy growth of these banks in the initial years; these banks also provided employment opportunities to the educated youths of that community. It was much evident and keen in coastal Karnataka, especially in Mangaluru and Udupi region.

Urban Co-operative Banks and Credit Societies too did follow the same *modus operandi* in the promotion of their own community banks. Many a times, this tendency had made way for an unhealthy competition among the banks working in the same locality. It is also observed that the life span of the most of these banking companies promoted before independence was very much limited due to one or the other reasons. Most of the banks promoted in Karnataka, during early 1920-30s were to be closed before the re-organization of the State. Most of the banks could not face the challenges of economic depression of 1929-30 and the earlier crisis of 1914-18 during the First World War. Prior to the re-organization of the State, the number of banks of different sizes promoted in different parts of integrated Karnataka together was about 75 and of them by the end of December 1955, the year before reorganization, the number of banks was reduced to 38. It was also due to large scale merger and amalgamation policy adopted by the Reserve Bank of India. The undivided Dakshina Kannada district, which is said to be the cradle and crèche in nursing the banking industry in the country, had given birth to as many as 22 banks of different sizes promoted during period from 1906

to 1945, and of them today, like *pancha pandavas* only five are in the field. The surviving banks are Corporation Bank, Canara Bank, Syndicate Bank & the Vijaya Bank; all nationalized and Karnataka Bank a leading private Sector Bank in the State. The branch banking system was experimented here as early as in 1923 by availing the services of local school Head masters on commission basis by Syndicate Bank. It also introduced the collection of small deposits known as Pigmy account for the first time in the Country.

In Bangalore city itself, from 1866 to 1949 there were nearly 36 Banking Companies working with fascinating names associated with religion, caste, personality, cult etc., the cantonment area alone had about six banking companies and of them five were in U(A)lasur. There were some banks specially to finance social commitments like Marriages and other religious ceremonies. The present surviving banks of Bangalore base are State Bank of Mysuru (1913) and the Vysya (1930), the present INGVYSYA (in private sector). In Karnataka, there are a few instances wherein locally promoted private banks have served more than 80 years with several branches and finally they lost their identity either by the process of merger, amalgamation or liquidation etc., The examples are:-Chitradurga Bank founded in 1870, after serving for nearly 91 years merged with Karnataka Bank in 1961, Srikanteshwar Bank founded in the temple town Nanjanagudu (Mysuru district) in 1885 after serving for nearly eight decades was liquidated in 1965. Similarly, Sringeri Sharada Bank (Chikmagalur district) founded in 1914, after serving for nearly 48 year merged with Karnataka Bank in 1962.

In the Princely Mysuru State, the period of Commissioner's rule (1831-1881) was of great significance ushered in an era of modernization by adopting the British system of administration in all spheres including Banking. The establishment of Bangalore Cantonment in 1809 and shifting of State administrative secretariat from Mysuru to Bangalore city in 1831 gave a fillip to commercial and industrial activities in Bangalore. It brought large-scale urbanization, modernization, promotion of business and industrial activities; both in the public and private sector etc., and accelerated the growth of organized banking industry in Bengaluru.

Joint Stock Banks in the Princely Mysuru

The first joint stock banks to be promoted in the Princely Mysuru State were Bangalore based (1) Bangalore Bank Ltd., Bangalore and (2) Mysuru Bank Corporation Ltd. Bangalore, both registered in 1868 with a share capital of ₹ seven lakh and two lakhs respectively. From among the Bangalore based old generation banks, the Bangalore Union Bank founded in 1890 had the longest service of 50 years, before its liquidation in 1940. The royal capital 'Mysuru' did not lag behind in the race of promoting banks. In the royal capital in 1874 (six years later than Bangalore), two banking Companies were promoted viz., the 'Rajadhani Bank' and the 'Town Bank' of Mysuru; and seem continued to function not beyond 1913. During the period of 25 years i.e., from 1884 to 1908, as many as 17 joint stock banks were promoted in the historical city of Palaces.

Bijapur, another historic city, the capital of Adil Shahis had promoted a bank known as Union Bank of Bijapur and Sholapur on 3-10-1908, which served for 56 years before its merger with Maharashtra based Sangli Bank in 1964. Another important northern Karnataka district, Belgaum had also promoted a bank from Belgaum city known as Belgaum Bank in 1930, which served for 45 years before its merges with Union Bank of India in 1975. There are evidences to mark the existence of local banks in smaller towns and semi-urban areas in the districts of Tumakuru, Kolar etc., a backward district like Kolar had promoted more than 20 banks of different sizes by about 1870s. There are evidences of serving small banks for a limited period in different parts of Karnataka; but details not available.

It is observed that a year before the re-organization of the State (1955) the number of banking Companies had declined to 38, and of them 10 were considered as Big banks and of them seven originated from Dakshina Kannada, and of the seven, five had taken their birth in Mangaluru and two in Udupi; of the remaining three banks, Bangalore had sponsored two and the remaining one from Belgaum, as reported. By mid-1930, Mangaloe was emerging as an important banking and financial centre. Hence, in 1936 a Clearing House was established. At that time, there were only 13 Clearing Houses located in important urban centres of British India.

In course of time, the banking companies originated outside the state, made an entry into the banking business of the state. The prominent banks among them were Imperial Bank of India (Now SBI), Central Bank of India, Punjab National Bank, Bank of Maharashtra, Indian Bank etc., The number of Banks from outside Karnataka and foreign banks increased during post decades of Nationalization. Imperial Bank of India (1921) had opened its pay office in 1936 at Bangalore, which became a regular branch in 1943.

In the former Bombay Karnataka region, where the Urban Co-operative Bank's Movement was strong enough, the ventures for promotion of local commercial banks was very much limited and sporadic. However, some of the earliest efforts in this regard was the establishment of Union Bank of Bijapur and Sholapur in (1908), Bagalkot Commercial Bank (1922), Sri Lakshmi Bank, Hanagal (1929), in Haveri District, the Bank of Citizen (1939) Belgaum, etc., needs a special mention. The earliest commercial bank to be founded in Uttar Kannada district was the bank of Rural India founded at the Coastal town Karwar in 1940.

During 1930-40, the banks based from Bombay and Mangaluru, especially Canara, Syndicate, Corporation, Union Bank, State Bank of India and Central Bank of India, had opened their branches in the commercial towns of Bombay Karnataka area. In the erstwhile Hyderabad Karnataka region comprising of Gulbarga, Bidar and Raichur districts, till the establishment of State owned Hyderabad Bank in 1941 there were no remarkable ventures of opening of commercial banks on large scale. However, from Gulbarga district, the Saraswati Bank (1922), Gulbarga Banking Co.,(1930), and Commercial Banking Co., Yadgir (1938), were some of the earliest efforts. Raichur District had two banks; Sri Sharada Banking Co., (1937) and Osmania Aziz Bank (1933). Bidar had no such ventures till 1946. In the areas of former Madras state which included the present South Canara, Udupi, Coorg and Bellary districts; and Kollegal taluk of Chamrajnagar district, there were appreciable banking activities. Bellary district had the branches of Royal Seema Bank, originated from Andhra.

Development of Banking

Organized banking activities both in private and public sectors have been proved as catalyst in the

promotion and development of industries, trade and commerce, and allied activities in the service sector. As elsewhere in the country, in Karnataka also, this has been proved fruitful especially during the era of post nationalization.

In Karnataka, during the first phase of nationalization in 1969, out of 14 major banks then nationalized in the country, two were from Karnataka i.e., Canara Bank (1906) and Syndicate Bank (1925). These 14 banks contained 85 percent of bank deposits in the country. In the second phase of Nationalization in 1980, two more banks from Karnataka viz., Corporation Bank (1906) and Vijaya Bank (1930) were selected. With the second phase of nationalization, the Government of India controlled around 91% of the banking business of the Country. Among the private sector banks, the Vysya Bank Ltd., (1930), now ING VYSYA based from Bangalore and Karnataka Bank Ltd., (1930), based from Mangaluru, are the leading private sector banks of the state having branches outside the State.

In recognition of the growing banking business in the State and in order to have better co-ordination and administrative control over the banking activities in the state, the RBI opened its Bangalore Office in 1953. The opening of Bangalore Stock Exchange in 1963 and growing number of State and Central Government Organizations, departments, Central Government and State Government under-takings, public sector industries., multinational Companies, Development of industries in the tier two cities and District Head Quarters; starting of Special Economic Zones to boost industries, infrastructure development, encouragement to tourism, horticulture, sericulture, milk revolutions, animal husbandry, transportation, self-employment, massive housing schemes, industrial policy of the State Government etc., have stimulated the growth of banking industry in the State in general. Of late, more than 500 Information Technology Companies, B.P.Os, B.T. and other specialized organizations have stimulated the growth of banking industries in Karnataka in general and Bangalore in particular; in addition to regular ongoing developmental activities by the State and Central Governments, NGOs' infrastructures building activities, rapid urbanizations etc., have increased the demand for credit from service sector agencies; agriculture, sericulture, horticulture

and allied activities for generating income, growing marketing activities, both internal and external trade, rapid industrialization, urbanizations, and globalization etc., have also stimulated both vertical and horizontal growth of banking activities in the state.

During the last 45 years of post-Nationalization era (1969), the conspicuous changes have taken place in the banking scenario of the State. One can observe both qualitative and quantitative changes. Banking sector has provided and generated ample job opportunities directly and indirectly, especially for educated unemployed and professionals and others. The good-old concept of 'class' banking that had prevailed prior to independence and continued even in later decades, has now been replaced by 'mass' banking. Banks have become the real institutions to bring socio-economic transformations at the grass root level. The new breed of rural based banking institutions launched in 1976 known as Regional Rural Banks (R.R.Bs) have revolutionized and reduced the developmental gap between rural and urban areas. They have facilitated the cause of promotion of Integrated Rural Development and other allied rural development activities. Now, lending policy adopted by public sector banks is in tune and in harmony with Government Policies and programs according to plan priorities of the Central Government and was target and result oriented; much emphasis is given for the purpose of loan than the person, and priority in lending, is given for hitherto neglected sections of the society and sectors of the economy especially for the weaker, backward, minorities, self-employed and released bonded labourers; women empowerment scheme, small and marginal farmers, self-help groups, rural and cottage industries, rural housing, urban poor, B.P.L. families etc., educational loans are granted on easy terms and conditions, besides subsidized lending is also entertained.

In the popular Loan Mela programs (what was popularly known as Pujari's loan mela named after the then Deputy Finance minister) during 1985-87, the banks of Karnataka did not lag behind. The promotion of Regional Rural Banks (*grameena* Bank), innovative banking programs and policies that followed immediately after the nationalization i.e., Lead Bank scheme, Credit plan, Adoption of villages and Co-operatives for

development, Loans under D.I.R, I.R.D.P. 20 point economic programs, *anthyodaya*, etc., Service area approach for lending in rural areas, social banking, community banking etc., have been fully implemented by the banks working in the State. Moreover, many commercial banks in the State have diversified their activities towards merchant banking, leasing, housing etc.,

Since 1976-77, after establishment of *grameena* banks with the financial participation by the Central Government (50%), sponsoring bank (35%), and the State Government (15%) have made it possible for good network of banking and better banking services in rural areas, when compared to prior Nationalization era. At present all the 30 districts of Karnataka are covered by the services of *grameena* banks and these banks have reduced the imbalanced economic growth between rural and urban to a certain extent. During the post nationalization decades, appreciable developments both in physical and financial, could be seen in the functioning, and *modus operandi* of banking services in the country including Karnataka.

In 1990, in terms of ratio of number of banks serving per lakh population, Karnataka stood fourth in the country having 9.5 number of bank offices per lakh population as against to 7.1 bank offices at the all India level. From among the then list of developed States, the rank of Karnataka was 2nd. The geographical spread of banking in rural area was much better in Karnataka when compared to some other developed states within the Country.

The spread of number of branches in rural areas per lakh population was eight in the state next only to Punjab. The Credit- Deposit Ratio (C.D.R.) of rural banks in the State was highest among the States i.e., 107.4% in June 1990 as against all India C.D.R of 62.5%. The C.D.R. of semi urban branches was also highest in Karnataka (76.9%) compared to national ratio of 50.9%. The lending by commercial banks to the priority sector including weaker sections exceeded the stipulated target of 40% fixed by the RBI. It was 45%. Karnataka was in eighth rank among the major states in per capita deposits and advances being ₹ 2362 and ₹1844 respectively which was higher than the national average of ₹1570. However, it was lower than Maharashtra (₹ 3,801), Punjab (₹ 2,201), and Tamil Nadu (₹ 2,438). The deployment of credit was

better in the state compared to All India figures. The total investments made by commercial banks in the state and Central Government loans floated during 1991-92 were as follows. Central loans ₹ 64 crores State development loans ₹ 14.10 crores, while in other states loans were accounted to ₹ 4.50 crores as per RBI report. Some key indicators of progress of commercial banks in the state as in March 1992 were as follows: C.D.R. 77.2%, loans under DIR ₹ 71,673 lakhs, loans under 20 point Economic programs ₹ 1,21,513 lakhs, loans under IRDP ₹ 26,174 lakhs. Priority sector advances ₹ 3,47,005 lakhs, percentage of priority sector advances to total advances 42% per branch deposits and advances ₹ 251.17 lakhs and ₹ 194.24 lakhs respectively. Rural deposits ₹ 1,57,318 lakhs. Rural advances ₹ 1,24,724 lakhs.

Changing trends in Banking Industries

The traditional banking that existed prior to Nationalization or even earlier, has undergone revolutionary changes and has adopted several innovative technologies in the methods of approaches to business including in *modus operandi* etc., especially, after 1990's when India adopted to the policy of liberal economy and globalization; free marketing in view of changing global economic scenario. Today's banking business has become highly competitive and complexed one. For its existence and survival it has to respond and adopt to the modern technology in view of globalization, world market economy, developments in the information technology, computerization, core banking, mobile banking, Tele-banking; services like credit card, debit cards, ATM., RTGS., ECS., NECS., SMS., quick money transfer facilities – and many more. The present day banker is compelled to equip with all these new technologies in his *modus operandi* of banking business, irrespective of the size of the business and its location. The staff is to be equipped in this direction and management has to develop professional skill.

The regulatory policy of Indian banking is such that the regulatory authorities of banking industries like Reserve Bank of India, controlled by the Central Government, is such that all possible care and strict preventive measures are adopted in controlling Inflation, Exchange Stability, Credit policy, Regulation of Foreign Exchange, Public Finance etc., so that the public confidence in Banking is never affected or diluted.

The period followed by the second Nationalization of Major Commercial Banks in 1980 (Corporation Bank and Vijay Bank) important amendments were made to Indian Banking Regulation Act 1949, as such very important facilities to the customers i.e., nomination and freedom to individual banking companies regarding determination of rate of interest on deposits and rate of lending etc., were freed. In order to extend liberal credit facilities to rural Co-operatives for agriculture through DCC banks, National Bank for Agriculture and Rural Development (NABARD) was sponsored by the Reserve Bank of India (R.B.I.), funded and shared jointly by RBI and Central Government.

Banking Network

Karnataka has a well-knit network of banking as well as adequate services. In 1969, at the time of first nationalization, there were 755 bank branches in Karnataka with total deposits of ₹ 236.85 lakhs while the credit made available accounted to ₹ 174.62 lakhs. A decade later, by the end of June 1979, a year before the second nationalization (1980), the number of branches was 2,531, while deposits and advances accounted to 1,440.38 and ₹ 118.48 lakhs respectively. By 1981 the number of branches increased to 2790, the deposits mobilized and credit deployed amounted to ₹ 2029.66 lakhs and ₹ 1569.76 lakhs respectively. By 1981 the population served per branch was reduced to 13,000, as against to 23,000 in 1972. During 2012, population served per branch in Karnataka was 8500, which is less than national average of 14000 (excluding PACS) and also many states. In aggregate deposits and gross credit the state holds 4th and 5th rank respectively. Thus, Karnataka state is moderate in its banking network as well as in deposit mobilization and gross credit flow.

As per the latest available data for the year 2012, March, the number of bank offices in the country accounted to 1,01,231 and the share of Karnataka was 7,885 comprising of the branches of 27 public sector banks including S.B.I. and its associates, Regional Rural Banks (6); and Commercial banks accounted to 67 including 6 foreign banks with 16 branches. The number of bank centres in the State were 2407, among these centres, 2205 places had branches less than 5, and 43 centres had branches between 5-10, while 36 centres had branches between 10-50, only 5 cities had more than 100 branches. Bangalore Metro alone had 1683 branches. The segment wise distribution of

branches was as follows: Rural (less than 10000 population) 2420 branches, semi-urban (between 10,000 to one lakh) 1540, Urban (more than one lakh less than 10 lakh) 1550, metros with more than 10 lakhs population.

Spread of Banking

In (2009), except, Bangalore City district, Belgaum had highest number of branches and Dakshina Kannada district had 362 branches. The least was Chamarajanagar with 61 branches, Ramanagar (78), Gadag Rural (351), Udupi Rural (131), Koppal (15, Urban), Uttara Kannada and Mysuru 179 each. In Karnataka, districts like Bangalore Rural, Chamaraja Nagar, Koppal, Gulbarga, Raichur and Yadgir are considered as districts where banking services are below the state average. In order to provide banking services to mass on large scale, the representative called Banking Correspondence are being appointed to serve as one man branch to deliver door services of banking specially in remote rural areas.

Recently in 30 districts of Karnataka 3281 villages have been identified as potential centres and efforts are being made to open branches in these places, and rules for opening of branches have been relaxed. Now, commercial banks shall open branches in villages with a population of 2000 without prior approval. During 2011, in Karnataka 306 new branches of Commercial Banks have been opened.

Performance of Banking in General

Karnataka has a fairly well developed financial infrastructure. As said earlier the State has given birth to many leading commercial banks of the country. The banking business in India, in general, is predominantly contributed by seven commercial banks constituting all most three-fourth of the banking business. Currently 26 public Sector banks, 16 private commercial banks and four R.R.Bs. (Regional Rural Banks) are operating in the State. Deployment of credit in rural area is mainly done through Co-operatives, commercial banks and R.R.Bs. while the credit for industries and service sectors is channelized through special agencies like K.S.F.C. (Karnataka State Finance Corporation) I.F.C., (Industrial Finance Co-operation of India), I.D.B.I. (Industrial Development Bank of India) in addition to leading commercial banks, through their specialized branches. Karnataka State Industrial Investment

and Development Corporation (K.S.I.D.C.) is another state sponsored financial institution acting as nodal agency to formulate the proposals for implementation of infrastructure projects like special economic Development Zones (S.E.Z.s) etc. The centrally sponsored, National Bank for Agriculture and Rural Development (NABARD) is an apex financial institution plays a lead role in the promotion of agriculture and rural development by preparing potential linked credit plans (PLPS), and annual action plans at the grass root level.

The ever growing demand for institutional finance in the state has resulted in expansion of banking network and flow of credit. On the eve of first Nationalizations of major commercial banks in 1969, July there were 755 bank branches in Karnataka, during these four and half decades, one can find a proliferate growth, of banking in the state adding 7130 branches by march 2012 thus making the total number of branches to 7885. It is evident that, the bank networks has significantly increased over the years and there by providing better access of services to the people both in urban and rural areas. Especially after 1976, the launching of new breed of banks in rural area i.e., 'grameena Banks' has reduced the wide gap existed between the rural and urban banking service found prior to the Nationalizations. It is observed that during last couple of years, there is an increase in branch network at semi-urban and metro level compared to rural and urban areas. The population served per branch in Karnataka is 8500 which is less than National average of 14,000 in 2012, (excluding PACS) and also less than many states. In aggregate deposits and gross credit the state holds 4th and 5th ranks respectively. Thus Karnataka is moderate in banking network as well as deposits mobilization and in gross credit flow.

Deposits and Advances

The aggregate deposits of all the banks (Commercial, R.R.Bs and Co-operative) stood at ₹4, 02,158 crore, at the end of March 2012, an increase of ₹65,476 Crore compared to last year (March 2011), registering a growth of 19.45 percent. Similarly, the total outstanding advances of all the banks in the state stood at ₹ 2,99,888 crore as against the level of advances of ₹ 2,55,983 crore recorded a year ago indicating a growth rate of 17.15 per cent. The credit-deposit ratio (C-D .R) of the state as on March 2012 is 74.57 per cent, which is lower when compared to last year.

Table 6.1: Banking Network in Karnataka-year ending

Sl.	Branch	March	March	March	Average Increasing
No.	Network	2010	2011	2012	2010-12
1	Rural	2730	2806	3057	10.7
2	Semi-Urban	1439	1495	1668	13.7
3	Urban	1486	1549	1649	9.9
4	Metro/PT	1320	1418	1511	12.6
	Total Branches	6975	7268	7885	11.5

Source: SLBC, Karnataka

Table 6.2: Category wise Bank Branch Network-year ending

Sl. No.	Banks	March	March	March
		2010	2011	2012
1	Commercial Bank	4899	5122	5610
2	Regional Rural Bank	1201	1256	1374
3	Karnataka State Co-operative Bank	31	38	40
4	KASCARD	177	177	177
5	DCC Bank	600	608	615
6	Karnataka Industrial Co-operative Bank	38	38	38
7	KSFC	29	29	31
	Total	6975	7268	7885

Source: SLBC, Karnataka.

Table 6.3: Aggregate Bank deposits and Gross credit in selected States (₹ in Crore)

State	Total				
	Offices	Aggreitage Deposits	Rank	Gross Credit	Rank
Maharashtra	9053	15,993,694	1	1,38,7826	1
Delhi	2665	6,86,338	2	6,54,264	2
Uttar Pradesh	11567	4,34,732	3	1,91,448	3
Karnataka	6810	4,11,724	4	2,91,235	4
Tamil Nadu	7253	4,01,182	5	4,66,031	5
West Bengal	5796	3,78,078	6	2,37,699	6
Andhra Pradesh	7947	3,46,800	7	3,82,699	7
Gujarat	5279	3,06,113	8	2,13,447	8
Kerala	4783	2,00,572	9	1,51,526	9
Punjab	4132	1,74,433	10	1,42,352	10
ALL-INDIA	96059	61,74,147		48,21,527	

Table 6.4: Performance of Scheduled Commercial Banks

Sl.No.	Indicator UNIT	2009-10	2010-11	2011-12
1	Branch Network			
a)	Commercial Banks NO.	4899	5122	5610
b)	Regional Rural Banks NO.	1201	1256	1374
c)	Co-operative Banks etc., NO.	875	890	901
	Total Nos.	6975	7268	7885
2	Deposits (₹ in Crore)			
a)	Commercial Banks	216972.07	309949.84	371625.72
b)	Regional Rural Banks	11963.82	14280.68	15821.80
c)	Co-operative Banks etc.,	45816.11	12452.06	14710.47
	Total ₹	274752.00	336682.58	402157.99
3	Advances (₹. in Crore)			
a)	Commercial Banks	161935.4	227507.96	265964.25
b)	Regional Rural Banks	9872.12	11301.31	13024.72
c)	Co-operative Banks etc.,	42175.48	17173.70	20899.09
	Total	213983.00	255982.97	299888.06
4	Credit-Deposit Ratio			
	Commercial Banks %	74.63	73.40	71.57
	Regional Rural Banks %	82.52	79.14	82.32
	Co-operative Banks etc., %	92.05	137.92	142.07
	Total %	77.88	76.03	74.57

Source: State Level Bankers' Committee, Karnataka

Priority Sector Advances: Domestic banks are required to provide 40 percent of their net bank credit to the Priority Sector. The Priority sector advances of all banks in the State amounted to ₹120981 crore in March 2012 contributing to 40.34% in total advances made by them, thus exceeding the norms fixed by the RBI. Direct advances to agricultural sector by Scheduled Commercial Banks (SCBs) in March 2012 stood at ₹ 54764 crore as against ₹47071 crore recorded in March 2011 contributing to 18.26 per cent of total advances made by SCBs. Weaker section advances stood at ₹ 37127 crore. The advances paid to Minority communities amounted to ₹ 13737 crore, marking an increase of ₹ 3051 crore against the advances paid during the last year as on March 2011.

Credit disbursed by banks to MSME sectors in the state in March 2012 increased to ₹ 51605 crore from ₹ 40532 crore recorded in the previous year. Advances to SCs/STs accelerated to ₹ 8328 crore in March 2012 as against ₹ 7878 crore recorded in March 2011. Similarly, advances to women stood at ₹ 23872 crore in March 2012 as against ₹ 20686 crore made in the corresponding period of 2011 recording a good growth during the period. Details of advances to priority sector by banks in Karnataka from 2010 to 2012 are given in the following Table.

Table 6.6: Distribution of Priority sector advances (Amount in ₹ Crore)

Sl.No	Indicator	March 2010		March 2011		March 2012	
		Advances	% to Total Advances	Advances	% to Total Advances	Advances	% to Total Advances
1	Total Advances	213983	-	255983.00	-	299888.06	-
2	Total Priorities Sector Advances(PSA)	90700	42.39	105746	41.31	120981	40.34
3	Agriculture	42569	19.89	47071	18.39	54764	18.26
4	MSME	29896	13.97	40532	15.83	51605	17.21
5	Weaker section	20733	9.69	27352	10.69	37127	12.38
6	SCs/STs	6374	2.78	7878	3.08	8328	2.98
7	Women	16743	7.82	20686	8.08	23872	7.96
8	Minorities	9079	10.01	10686	10.11	13737	11.35

Source: State Level Bankers Committee, Karnataka

Financial Inclusion: There is significant strengthening of the policy and regulatory frameworks for the financial inclusion in recent years by Government of India and RBI. The launch and extension of *swabhiman* campaign to provide banking services to all villages with population of above 1600, use of banking correspondents to extend the reach of the services, adoption of 'one-district many-banks one-leader' approach, shift to inter-agency operable technology are all some of the initiatives at the policy level. The State Government is providing the required support for ensuring comprehensive Financial Inclusion. In the State EBT scheme is being implemented in respect of Social Security Pension(SSP) and MGNREGS on a pilot basis in Bellary (Syndicate Bank), Chitradurga (Canara Bank), Gulbarga (State Bank of India) & Yadgir (State Bank of India) Districts under 'One District-Many Banks' model as per Service Area Approach under Lead Bank Scheme. In another 3 Districts, viz., Chamarajanagar (State Bank of Mysuru), Mandya (Vijaya Bank), Dharwad (Axis Bank), EBT is implemented under 'One District-One Bank' model. The state government is fully geared up for implementation of EBT in respect of following government schemes viz. SSP,

MGNREGS, Scholarships and Housing in all the 30 district of the State.

Status of implementation of Rural Infrastructure Development Fund (RIDF)

Govt. of India, in 1995 announced the scheme for setting up of Rural Infrastructure Development Fund (RIDF) within the apex institution, NABARD for financing rural infrastructure projects. Domestic Scheduled Commercial Banks, both in public and private sectors which are unable to meet their targets for priority sector / agricultural lending are required to deposit the shortfall amount in to the RIDF with NABARD such amounts as may be allocated to them by the Reserve Bank, depending upon the extent of their shortfall, subject to a ceiling of 1.5%. The initial corpus fund was ₹ 2000 crore in 1995-96 and this fund has since been magnified with an additional corpus being announced every year in the Union Budget. Karnataka got the allocation of ₹ 800 crore in 2012-13 for implementing works under RIDF-XVIII. The rate of interest charged on loans to State Government is at 7.5% since 17-4-2012.

The following table reveals and centre of the Banks that finds place among the top 200 banks in the country.

Table 6.7: Ranking of some selected Banking Centres in Karnataka among the Top Two Hundred Centres in the Country arranged according to Size of Aggregate Deposits / Gross Bank Credit as on June 2013 (Amount in Million)

DEPOSITS					CREDIT				
Rank	Name Of Centre	No. Of Reporting Offices	Amount	Annual Growth (%)	Rank	Name Of Centre	No. Of Reportig Offices	Amount	Annual Growth (%)
3	Bangalore	1,671	30,89,852	14.5	5	Bangalore	1,671	20,27,811	9.8
35	Mangaluru	217	1,89,918	13.6	41	Mangaluru	217	90,286	19.1
44	Mysuru	212	1,46,775	16.7	51	Mysuru	212	72,544	-2.5
65	Hubli-Dharwad	199	97,757	11.5	55	Hubli-Dharwad	199	71,421	12.7
78	Belgaum	131	74,548	13.286	86	Belgaum	131	36,599	-2.3
160	Bellary	60	31,120	4.8	101	Bellary	60	28,864	-29.9
104	Udupi	68	53,003	16.9	128	Udupi	68	23,182	9.3
130	Gulbarga	70	38,793	22.1	127	Gulbarga	70	23,369	24.6
---	-----	-----	--	---	149	Bagalkot	33	18,451 (17,903)	64.7
---	-----	-----	--	---	150	Davanagere	53	18,360 (23,046)	10.5
---	-----	-----	--	---	155	Hospet	41	17,532 (18,254)	-23.9
157	Mysuru	64	31,461	17.2	161	Mangaluru	64	16,605	16.2
---	-----	-----	--	---	162	Tumakuru	55	16,510	19.2
---	-----	-----	--	---	176	Bijapur	45	15,092 (22,111)	14.2
Total of 200 Centres	-----	33,733	5,18,65,719	13.1	----	Total of 200 Centres	33,007	4,34,87,073	11.7
All India	-----	106389	7060182 2	13.5	----	All India	106389	54028490	13.2

The major Banking Companies Operating in Karnataka as on March 2012 and their respective number of branches working in the State is given herewith; Abu Dhabi Commercial Bank (1); Allahabad Bank(35); Andhra Bank(63);Axis Bank (107); Bank of America(1); Bank of Baroda(80); Bank of India(102); Bank of Maharashtra(57); Bank of Novascotia (1); Barclays Bank(1); BNP Paribas(1); Canara Bank (700); Catholic Syrian Bank (15); Cauvery Kalpatharu Grameena Bank (217); Central Bank of India (109); Chikmagalur-Kodagu Grameena Bank(53); Citibank(2);City Union Bank (20);Corporation Bank (375);Credit Agricole Bank(1); DBS Bank(1); Dena Bank(35); Deutsche Bank(1); Development Credit Bank(6); Dhanalakshmi Bank(15); Federal Bank(70); HDFC Bank(143); Hong Kong & Shangai Banking Corporation(3); ICICI Bank(142); IDBI Bank(48); Indian Bank (87); Indian Overseas Bank(146); Indus land Bank (22); ING Vysya Bank (121);Jammu & Kashmir Bank (5); Karnataka Bank(318); Karnataka Vikar Grameena Bank(512); Karur Vysya Bank (34);Kodak Mahindra Bank(18); Krishna Bhima Samruddhi LAB (10);Krishna Grameena Bank (115); Lakshmi Vilas Bank(28); Oriental Bank of Commerce(38); Pragathi Gramina Bank(374);Punjab & Sind Bank (7); Punjab National Bank(71) ;Ratnakar Bank(14); Royal Bank of Scotland(2); South Indian Bank(40); Standard Chartered Bank(4);State Bank of Bikaner & Jaipur(3); State Bank of Hyderabad(153); State Bank of India (587); State Bank of Mysuru (629); State Bank of Patiala(10); State Bank of Travancore(25); Subhadra Local Area Bank(1); Syndicate Bank(676); Tamilnad Merchantile Bank(8); UCO Bank(47); Union Bank of India(140); United Bank of India(16); Vijaya Bank(496); Visveshvaraya Grameena Bank (31); and Yes Bank(8). Of them 2420 in rural,1540 in Semi-rural, 158 in Urban and 1683 were in metropolitan areas.

Table 6.8: Number of Regional Rural Banks Operating in the State and their Jurisdiction as on March 2012 and the data Pertaining to their Deposits & Advances including the Branch Number (₹ in crore)

JURISDICTION	SL.NO.	DISTRICTS	NUMBER OF BRANCHES	DEPOSITS	ADVANCES
1. Karnataka	1	Dharwad	64	14,117	7,303
Vikas Grameen Bank	2	Haveri	65	5,977	5,448
	3	Gadag	48	4,645	3,987
	4	Belgaum	128	15,666	12,094
	5	Bijapur	61	6,496	7,427
	6	Bagalkot	63	8,155	6,370
	7	Uttara Kannda	35	2,885	1,444
	8	Udupi	15	1,388	749
	9	Dakshina Kannada	19	2,151	1,342
2. Pragathi	10	Bellary	69	13,273	10,799
Grameena Bank	11	Davangere	42	4,234	4,987
	12	Koppal	42	5,216	4,607
	13	Raichur	53	6,500	9,440
	14	Chitradurga	66	6,416	6,971
	15	Shimova	29	3,315	3,070
	16	Kolar	35	4,739	4,056
	17	Chikkaballapur	29	3,054	2,593
3. Kaveri	18	Mysuru	61	6,211	5,618
Grameen Bank	19	Chamarajanagar	20	1,406	1,182
	20	Hassan	44	3,309	3,334
	21	Tumakuru	47	4,168	6,069
	22	Bangalore Rural	13	1,285	1,084
	23	Bangalore Urban	14	5,128	1,857
	24	Ramnagar	14	613	1,097
	25	Chikmagalur	35	2,920	2,040
	26	Kodagu	18	1,235	691
	27	Mandya	31	2847	2,114
4. Krishna	28	Gulbarga	60	8,415	8,806
Grameen Bank	29	Bidar	33	2,865	2,070
	30	Yadgir	19	1,459	1,875
		TOTAL	1,272	150,088	130,524

Source: RBI. Website Publication – Quarterly statistics On Deposits & Credit Of Scheduled Commercial Banks.

Bharat Mahila Bank (B.M.B.): In order to empower specially the women entrepreneurs and Self Help Groups (SHG) found across the country, and other weaker sections of the Society, especially women for starting their own small business enterprises like small scale domestic cottage industries, handicrafts, self-employment including promotion of education and asset building etc., Government of India promoted a special banking Co., (B.M.B.) from 19th November, 2013 (to mark the occasion of 94th birth anniversary of Late Prime Minister Smt. Indira Gandhi). According to its plan, the Central Government has established a commercial bank exclusively meant for women with the nomenclature “Bharatiya Mahila Bank”, with its headquarters located at New Delhi, with an initial capital of ₹1,000 Crore. In Karnataka, its branch is located at ISCI building Hudson Circle in Bengaluru. The country’s first all-women commercial bank system was inaugurated on 19th November 2013, with seven branches coming at Kolkata, Mumbai, Lucknow, Guwahati, Chennai, Bangalore and Ahmedabad respectively. Bharatiya Mahila Bank has been set up so that deposits would flow from everyone, but lending will be predominantly for women. The bank aims to increase its branch counters to 25 by December 2014. It has also core banking facility, so that free services could be obtained by the customers in all the Women banks of the country. This bank extends all those facilities as the other nationalized banks are providing to its customers. At present Bangalore based bank has programmed to open nearly 33400 accounts during the year. Some incentives of higher interest on saving bank account (4.5% up to ₹ one lakh, and 5% more than one lakh) is offered to customers

Under the centrally sponsored program of *swarna jayanthi gram swa rojgar yojana* (S.J.G.S.R.Y) for a self-help group, financial assistance maximum up to 3 lakhs is given at 7% interest as directed by the Central Government. B.M.B. services are also available to men but limited to 20% at present. It is reported that, majority of the bank employees shall be women nearly 80%. Much is being expected from these special banks in the years to come for empowerment of women folk especially in the rural and semi urban segments. It is aiming at issuing Credit cards to its commuters in collaboration with State Bank of India. It plans to open two branches at Delhi and Indore as early

as possible. Moreover 16 more branches are likely to be initiated in the Capitals of both State and Union territories within four months. According to the bank’s business plan, the bank envisages a business mix (deposits plus advances) of ₹ 60,000 Crore with 771 branches by 2020.

But, it is interesting to note that the concept of empowering women with economic independence was initiated long back in the Princely Mysuru State. The ‘Arya Bhagini Mutual Co-operative Bank’, meant to empower the poor women, first of its kind to be established in the Princely State of Mysuru, was started at Mysuru as early as 1929. It is working even now amidst all hurdles.

Likewise, the ‘District Women Co-operative Bank’ purely meant for women, started working at Mysuru during 1995 with 2,500 members and an initial share capital of ₹25 lakh, is now working with 7,500 women members and the share capital has gone up to 1.80 crore along with deposits worth ₹ 25 Crore and lend credit worth ₹ 20 Crore.

Foreign Banks

Since 1832, the shifting of royal secretariat from Mysuru to Bangalore, which marked the beginning of Commissioners’ rule in princely Mysuru, had facilitated the growth of Bangalore. In course of time, Bangalore turned as hub of trade and commerce, industrial and banking activities. At present, the state capital had attained importance because of vast growing number of I.T.Cos., (2580), M.N.Cos., (800), B.T. (150 - 50% of India’s total), Apparel (800) in addition to location of many industrial, commercial, and Defence organisation of Central Government and Bangalore being the main exporter of software to the tune of ₹1.5 lakh crore per year and being one of the highest per capita earning city like Mumbai, etc., have naturally attracted many foreign banks to have their branches, here to cater the needs of the foreign exchange firms, engaged foreign trade along with native banks.

According to RBI report as in 2012 there were 10 foreign banks operating their branches in Bangalore. There are in all 16 branches of foreign banks and of them 13 are in Bangalore Metro limits (one in Bangalore Rural) and of the remaining two are located one each in Mysuru, and Tumakuru. The total deposits mobilized by these banks accounted to ₹2,50,023 crores and that of advances reckoned at ₹1,52,142 crores, as

on 16-3-2012; the Major contribution being from Bangalore Metro branches. Deposits ₹ 2,48,603 crores and advances of ₹ 1,50,469 crores. There is a great scope for opening of branches of foreign banks if second tier cities of Karnataka i.e., Mangaluru, Mysuru, Davanagere, Hubli, Dharwad and Belgaum are fully developed with location of I.T. and I.T. based allied activities expected in near future.

Human Resources

In general, the banking sector, as a service sector has been providing good number of employment opportunities especially for educated unemployed. The geographical expansion of networking of branches has enhanced the nature and scope for more and more job opportunities to general graduate as well as to the professionals and field staff. It is estimated that banking industry has provided employment to about 10.5 lakh persons in India. Regarding Karnataka, as per the RBI report the total number of persons working in banks in the state is accounted to 72,412, comprising of 32,585 officers, 27,590 clerical staff and the rest 12,237 subordinates as in 2012. According to press report in Bengaluru alone there are about more than 5000 bank employees of various commercial banks (These figures do not include the number of staff employed in the banking sector under the Co-operative management).

Automatic Teller Machine (A.T.M.)

An Automated Teller Machine (ATM) also known as Cash Machine is an electronic telecommunications device that enables the clients of a financial institution to perform financial transactions without the need for a cashier, human clerk or bank teller. ATMs' are known by various other names including *ATM machine*, *Automated Banking Machine* and various regional variants derived from trademarks on ATM systems held by particular banks.

A.T.M. Services provided by the banking companies across the country have made the job of customer as well as banker easy, convenient, and time saving in operating of account. Some of the ATMs are providing the facilities like making deposits and even printing of pass books and other services in addition to debit card and other facilities to attract customers.

According to one source it is estimated that there are about more than 1.25 lakh ATMs in the country and expected to go up to two lakh in six months. The viability of these ATMs depends upon the migration of transation from Branches to ATMs. In Karnataka, as per the report of the State Level Bankers, Committee (L.B.C.) there are about 7,927 ATMs in 2013, with 624 in rural, 1474 in semi urban, 1979 in urban and 3850 in Metros. According to the press report of the Chief General Manager of SBI, it operates around 1286 ATMs in the state and nearly 300 in Bengaluru itself. S.B.M. owns 190 ATMs in 145 centers in Bengaluru. According to Police source, there are about 38 cases reported in Bangalore where ATMs are attacked or looted or destroyed by the professional gangsters and there are cases where ATMs are lifted from the locations. There are also incidents wherein customers are attacked and money is robbed. The government is taking steps to adopt modern safety measures to ensure safety of both money and customers.

On most modern ATMs, the customer is identified by inserting a plastic ATM card with a magnetic stripe or a plastic smart card with a chip that contains a unique card number and some security information such as an expiration date or CVVC (CVV). Authentication is provided by the customer by entering a personal identification number (PIN). Using an ATM, customers can access their bank accounts in order to make cash withdrawals, debit card cash advances, check their account balances, and purchase as well as pre-paid mobile phone credit.

If the currency being withdrawn from the ATM is different from that which the bank account is denominated in (e.g.: Withdrawing Japanese Yen from a bank account containing US Dollars), the money will be converted at an official wholesale exchange rate. Thus, ATMs often provide one of the best possible official exchange rates for foreign travellers and are also widely used for this purpose. Even some Urban Co-operative Banks are providing ATM services.

Redressal of Customers' Grievances

Rapidly growing and increased number transactions in the modus operandi of banking business naturally have made the way for deficiency and omissions in the customers services, there by resulted in an increase in the number of

complaints. In every, bank, the provision has been made to redress the grievances of the customers by opening centres for that in the Head Office. In case if relief for the complaint is not found, an appeal could be made to Banking 'Lok Pal' working in the office of RBI local office(Bengaluru), who is expected to provide relief within 30 days. In Karnataka during 2010-11 the number of cases of complaints reported to Lok Pal office was 3486 from 7201 branches working in the state. It could also be taken to consumer.s courts of the jurisdiction.

Agriculture Banks

During the Dewanship of the second Dewan of Mysuru K. Sheshadri Iyar (1883-1901), several development projects were planned and executed in order to facilitate the overall economic development of the Princely Mysuru. Among the several programs launched, the formation of new breed of banks known as Agriculture Banks was a land mark mainly to help the poor and un-organized farmers of small holdings, so as to give them material relief from the ruinous compound interest charged by private money lenders in addition to free the debtors from various kinds of exploitation, and practice of usury etc., It was considered as an innovative banking practice and was much appreciated by the politico-economic thinkers of Europe. The special features associated in the constitution of these banks was the judicious combination of the principles of joint stock company limited by guarantee and the principles of Co-operative system in its modus operandi. It was put into operation a decade earlier than the actual launching of Co-operative movement in India within the legal frame work in 1904.

Under this scheme, banks known as associations consisted of land holders enlisted on the basis of mutual confidence, funds for these banks were floated from deposits and loans from the Government at a cheaper rate of four percent, and deployment of credit was made on the mortgage of land to the needy members at such a moderate rate of 5 to 6%, allowing the banks to have small margin for expenses and reserve fund. The loans were granted only for approved purposes of agriculture. There was no dividend for members; management was expected to be the honorary service.

The first such bank was organized at Palahalli (Srirangapattana Taluk) in December 1894 with 17 associates followed by second such bank at the temple town Nanjanagudu in 1897. By 1901, all over the state, 64 such banks were functioning as reported, and two were exclusively meant for coffee cultivators (Kadur and Sakaleshpur). However, all was not well with the management of these organizations. The mis-management experienced in the actual working of these Government sponsored financial institutions was that rampant misuse of loans borrowed from big land holders and employment of borrowed money at higher lending outside and in course of time, many banks could not repay the government loans and turned defunct and liquidated. Among the reasons for the closure of these banks as reported by the Government Committee, reveals that lack of supervision and control, liberal loans extended by the government to these banks were dominated. By 1917, most of these banks become defunct. Though the system failed the intention behind opening of these banks was genuine.

Agricultural Credit

Under Co-operative sector, agricultural credit for short term operations, is channelized under three tier system, through the agencies like primary credit societies at the village level in addition to District Central Co-operative banks, and the State Co-operative Apex Bank functioning as state level. Long term credit is catered through state level Co-operative Agriculture and Rural Development Bank (A.R.D.B.) through its primary level branches at each taluk (177) under two tier systems. It is the RBI sponsored (NABARD) National Bank for Agriculture and Rural Development which provides refinance to the Apex and KAS CARD Bank.

During the years 2010-11 total agricultural loans disbursed accounted to ₹ 488722.89 lakhs and of it ₹ 446889 lakhs was short term, ₹ 23,233.00 lakhs medium term, and the rest ₹ 18600.89 lakhs long term. Out of this loan, the total loans granted for the SC/ST members were reckoned at ₹ 42758.84 lakh, comprising of ₹ 40567 lakh short term, ₹ 1705 lakh medium term, and the rest ₹ 486.84 lakhs long term credit as reported. During the year above, the percentage at recovery in short term loans was 88.53, while in Medium term and long term loans the recovery percentage was 84.48 and 52.50 respectively as reported.

Village Savings Banks: The Princely state, in addition to the scheme of sponsoring Agricultural banks, had also mooted. Savings Banks, also known as 'Feeder Banks' in order to mobilize small deposits from the villagers with more than 300 Population, in the absence of local Co-operative societies. These Village Savings banks were opened on experimental basis in selected five districts (Mysuru, Hassan, Chitradura, Kadur and Tumakuru) in December 1915. This novel scheme was known as Chakravarthi scheme; named after the then Finance Secretary. Under the scheme, a minimum deposit of one *anna*, was collected and the maximum was up to ₹ Five per month from individuals. There was a provision to withdraw a maximum amount up to one rupee and a minimum withdrawal of four *annas*. The agents who were managing the scheme were paid commission by the Government. There was a good and effective system of internal check in operating the scheme exercised by the Taluk Treasuries. The scheme was closed by 1922-23. It made the way for District Central Co-operative banks in some districts.

Co-operative Movement in Karnataka

Co-operative movement being basically the movement of the people or society of have-nots for their economic and other welfare by the collective consolidated efforts based on the principles of "one for all and all for one". It is a Voluntary Organization working on the principles of democracy. In India, the movement has 110 years old fascinating history of many ups and downs. It is global or universal movement found all over the world in more than 150 countries. It made its beginning in 1844 in England.

In India Co-operative movement was initiated as a Government sponsored in 1904 on 25th March by enactment of Co-operative Societies Act X of 1904 during the time of Lord Curzon the Governor General. It was planned to start Co-operatives here to cater the needs of Indian Farming Class, on the model of Raiffisen type of Village Credit Societies on the model of Germany.

The ideology of co-operation is not unknown to our society. It is very much deep rooted in our house hold management and community life in villages. Indian Co-operative Societies Act of 1904 was based on English Friendly Societies Act, 1793 and the industrial and Provident Societies Act,

1893, to enable the village Co-operatives to supply rural credit. The act was based on triple principles of self-help, thrift, and mutual aid. It was meant for simple people with small means.

The economic conditions of Indian Farming class at that time was so miserable that majority of the small farmers were groaning by the over burden of a usury practiced by the unscrupulous village Money lenders and they were subjected to various types of exploitations in the absence of strict regulatory measures to control and regulate money lending activities. In this situation, Co-operative movements turned as a boon to stimulate agrarian economy. Co-operative movement in India is one of the oldest and widely covered movements, being considered as a safest business organization between capitalism and communism. However, the success of the movement is mainly based on honesty, integrity, commitment, transparency and accountability of the management. Co-operative movement in India has covered all most all villages about 5.8 lakhs comprising of six lakh Societies, covering about 25 crore members.

Realizing the importance and utility of the movement, recently (2012) 111th Constitutional Amendment was affected. Accordingly, now, the formation of a Co-operative 'body' to suit their requirements has been declared as one of the Fundamental Rights of the Citizens. There by, it is expected that it will also insulate from political and Government interferences and ensures a friendly functioning; democratically, professionally and economically in a sound manner.

There are as many as 40 different categories of Co-operatives functioning in the state, including multi state Co-operatives. Each category Co-operatives have formed their own Apex Federations functioning at the state level to guide and monitor respective Co-operatives. The Movement here made its beginning along with the national movement. The special features of Co-operatives of Karnataka and its contribution to the main stream is that, the state had germinated several Co-operatives which are considered as first of its kind in the country. The state has imbibed the rich and credible heritage of Co-operative movement.

Earliest Co-operative Society: According to available information Karnataka feels proud to have first primary Agricultural Credit Co-

operative Society germinated in a village called Kanaginahal of Gadag taluk in Gadag district, started on 8th May, 1905 (Monday) with 13 members. It was founded by one enlightened landlord Siddanagowda Sannaramanagowda Patil (1843-1933), of a Kuruba family. He is considered as the pioneer who heralded one of the popular movements in the country. On the occasion of the Centenary Celebration of the movement in Karnataka (2005), the village was declared as Model Village, and the Bust of the founder was installed and the commemorative stamp of Siddanagowda was released. Another special feature of this Centenary Society which is still serving as V.S.S. is that, it has admitted women also as members of the society.

Similarly, the first Urban Credit Society (Non-agricultural) was founded at Betageri (now part of Gadag-Betageri Municipal limit) on 18th October 1905, founded by a local German Missionary, called Rev. Fa. Rivington, mainly to facilitate credit to the local weaving community. The society was later liquidated. Apart from the earliest Agricultural Credit Co-operatives founded in Bombay Karnataka region, other than the Kanaginahal Society, were the one founded at Muddebihal (26-10-1905), Sirsi (20-12-1905), Bagewadi (Belgaum Dist.) (30-12-1905); all these are functioning even today.

In Princely Mysuru: In Princely Mysuru, during the Dewanship of P.N. Krishnamurthy, (grandson of Dewan Poornaiah) the Co-operative movement was launched by the enactment of Mysuru Co-operative Societies Regulation III, in June 1905. The special features of Mysuru Regulations was that it was more comprehensive in nature and scope than the 1904 Act of Govt. of India. There was a provision for the registration of both Agricultural credit societies in the rural areas, and at the same time, it allowed to register non-agricultural credit societies in Urban and Semi-urban centres on limited liability. As such, along with agricultural credit Co-operatives; the other non-agricultural and non-credit Co-operatives like Housing, Marketing, consumer, weaving etc. came in to being – The Government was keen in the development of Co-operatives in the State. In 1906, the departments of Co-operation and Agriculture were started. In 1907, an officer was deputed to England and Europe for the study of the movement there and its implementation here.

Earlier to this, in 1905 at Kudalur in Chikmagalur district Adikarnataka Co-operative Society was registered, being the first such society in the State.

In order to streamline the movement, in 1910 the services of the retired revenue officials was utilized as 'Honorary Supervisors' for guiding and registration of societies especially in rural areas and they were paid a pocket money of one rupee for each day's Co-operative work. In Princely Mysuru during 1905-06 there were five Co-operatives in the State. With 362 members and share capital of ₹ 11,087 and working capital of ₹ 14,243.

The first society to be registered in Princely Mysuru in general and Bangalore in particular was "Bangalore City Consumer's Society on 8-12-1905 located in New Taragupete (N.T.Pete), which is working even now. It was promoted by the then Chief Justice of Mysuru High Court K.S. Chandrashekhar Iyar and the first Registrar of Co-operative Societies, M. Shama Rao, who is regarded as the pioneer of the movement in Mysuru. By 1918 new Co-operative Act was adopted which made a provision for Co-operative Unions at the taluk level and Central Banks at the district level and Assistant Registrars for Co-operatives was appointed for the effective supervision and co-ordination.

During the regime of able Diwans like Sir M.Visvesvaraya (1913-1919) and Sir Mirza M.Ismail (1926-1940) much importance was given for the coverage of Co-operative movement, especially for the SC/ST's in the newly irrigated areas brought under cultivation, after the completion of K.R.S. Project in 1932. In 1928, for the consolidation of small agricultural holdings and to make them economically viable, Agricultural Board was constituted to organize Co-operative farming based on the experiment of Punjab, and funds were provided for organizing Co-operative agricultural colonies, especially for *adikarnataka* population. In order to provide long term finance to Co-operatives, Land Mortgage Banks were introduced. Bangalore city is the first city in India to promote the first ever House Building Society in 1909 (Bangalore City Building Society) which is still functioning.

The Mysuru Government Patronized the movement liberally by providing several incentives

like contribution of deposits, managerial grants, providing free sites and grants for state level institutions. It used to honour the good working Co-operatives every year during the *dasara darbar*.

Exclusively for empowerment of women, in 1929 the Society called “Araya Bhagini” Paraspara (mutual) Co-op Society was promoted with 17 members of maid servants and women with very small means, said to be the earliest Women Co-operative Society in the State. Now it has grown up into a big Co-operative body. In 1957 it was awarded with a gold medal, as one of the best women society in the State. The State has as many as 1347 women societies and of thee 1063 are working. The state has nearly 319 Urban Co-operative Banks and of them 28 are exclusively for women. Karnataka ranks third in Urban Bank sector in India, next only to Gujarat and Maharashtra. Karnataka is the first state in the country to have the State Urban banks federation started in 1965, much earlier that of the National Federation.

After the reorganization of the state the Co-operative business activities, both in credit and non-credit and marketing sector have gained momentum as a result these is a vertical and horizontal growth in the movement. The number of Co-operatives, membership and financial participation both by the members and the Government has increased. Many large scale industrial ventures like textile, sugar, food processing, have come up in the sector. There are specialized societies, especially to cater the needs of SC/ST and *adivasis* and tribals in selected region.

Co-operatives being peoples friendly organizations, people made use of the societies to cater their day to day requirements. There are examples that people in the forest and Malnad areas formed Co-operatives for the works like fencing, bunding and hunting of wild animals for protection of the crops. The wild animal hunters were paid one rupee for each hunted, based on the evidence of hunted animal’s tail, especially of monkeys and foxes in the forest and Malnad area. There were Co-operatives for the manufacture of agricultural implements in Dharwad district Animal husbandry, Poultry, Crop insurances, Milk, Marketing, Fishers weaving of all types came

under the orbit of the movement much before the independence.

To propagate and educate the public about the importance of the movement and its wide coverage, the drama troops were organized by forming their societies. Printing and publication activities also came under the perview of Co-operative movement. In Bombay Karnataka area by 1920-30 societies known as grow more food were registered to encourage farmers to grow more by catering the required requisites for the mission. Grain Banks, Shahari (Urban Banks) were very common in the Hyderabad Karnataka in 1940 and Kodagu in 1920. Of late, during the time of National Emergency 1975-77, the special Co-operatives known as “*garibi hatavo*” were promoted for the interest of the needy, poor and un-organized sector. In march 2013, a unique Co-operative body to empower the small and unorganized petty sellers like hawkers, pedlers, pavement and foot path vendors, iterant traders etc., have formed their own Co-operatives in Mysuru on experimental basis and the government has earmarked ₹ 100 crore for the establishment of such societies in the State.

Karnataka has promoted certain unique premier Co-operatives. As early as in 1921 educational activities were under taken in Co-operative sector in Hulakoti near Gadag for the first time in Karnataka. The first Co-operative marketing of cotton was started in 1915 in Hubli by forming Cotton Sales Society, first of its kind in India. Rural Electrification Society was organized for the first time in Karnataka in Hukkeri of Belgaum district in 1969 which works like Mini KEB in all respect. For the promotion of sports activities along with education, the Sports Promotion Society with residential school was opened in Chandargi near Ramadurga of Belgaum district in 1984. Since 1984 in every Co-operative organization, reservation of one seat for women and SC/ST has been made mandatory. Medical services under Co-operative management were first started in 1951 at Ghataprabha near Gokak of Belgaum district through Sri Gurusiddeshwar Co-operative Hospital. From among the 21 Co-operative Sugar Factories in the State, the first being Sankeshwar Sugar Factory, founded in 1956 is considered as one of the best Co-operative Sugar Works in the country.

The Karnataka Milk Federation, founded in 1984 under the Co-operative sector has become a landmark. It has made “Milk Revolution” (*ksheera kranti*) a grand success in rural areas, benefiting nearly 22 lakh rural families, through more than 13,740 Milk Producer’s Societies and 13 Milk Unions, procuring about 52 lakh litre milk per day. The annual turnover of the Federation and Unions together accounted to about ₹ 5824 Crores, on an average; ₹ 9.95 crores is being paid per day to milk producers. K.M.F. stands second in milk procurement at national level and ranks first in South India. In Bidar district alone, there are more than 270 Milk Producer’s Societies managed by women. The following tables reveal the progress of Co-operative movement in Karnataka since 1946.

Table 6.9: Decade wise progress of the Co-operative movement from 1946-47 to 1985-86

Sl No	Particulars	Year				
		1946-47	1956-57	1966-67	1976-77	1985-86
1	No. of Societies	2,545	12,509	19,375	20,407	24,056
2	No. of members (in lakhs)	2.35	17.57	38.17	64.54	98.70
3	Share Capital	0.80	5.53	37.53	142.22	321.43
	a. Government	NA	NA	NA	51.00	108.57
4	Reserve and other funds	0.73	3.82	19.22	79.74	488.90
5	Own Capital	1.52	9.35	56.75	221.96	810.30
6	Working Capital	4.04	39.86	236.37	1065.27	2784.90
7	Deposits	NA	14.30	44.38	171.53	568.00
8	Loan Advances	1.73	12.77	154.75	222.60	416.70
9	No. of Villages covered percentage	-	-	98.5	100%	100%
10	No. of Agriculture families covered percentage	-	-	NA	75%	92%

Table 6.10: Decadal Growth of the Co-operative Societies in Karnataka (1961-2007)

No.	Particulars	1961	1971	1981	1991	2001	2003	2007
1.	Primary Co-operative Agricultural & Rural Development Banks	118	170	177	177	177	177	177
2.	Primary Agricultural Credit Societies	9,107	8,675	4,871	4,350	4,388	4,739	4,959
3.	Grain Banks	1,027	851	844	151	123	121	NA
4.	Urban Banks	NA	210	239	223	313	308	296
5.	Employees and other Co-operative Credit Societies	NA	766	1,594	1,599	2,913	3,534	NA
6.	Marketing Co-operative Societies (G) Purpose	259	207	192	189	177	154	329
7.	Specialised Commodity Marketing Co-operative Societies	NA	62	144	340	135	197	NA
8.	Processing Co-operative Societies	29	40	69	32	101	94	NA
9.	Farming Co-operative Societies	144	499	595	242	108	61	NA
10.	Milk Supply Co-operative Societies	70	617	2,577	6,291	8,253	9,331	10,667
11.	Live Stock Co-operative Societies	NA	63	90	73	241	317	NA
12.	Irrigation Co-operative Societies	35	63	225	564	1,421	2,843	NA
13.	Fisheries Co-operative Societies	70	123	193	272	375	473	NA
14.	Consumer Co-operative Societies	3,951	1,302	1,541,	1,650	1,502	1,677	NA
15.	Housing Co-operative Societies	350	920	1,309	1,606	1,274	1,539	1,457
16.	Weavers Co-operative Societies	621	798	831	726	410	614	NA
17.	Industrial Co-operative Societies	1,064	1,835	1,892	1,001	891	879	NA
18.	All Other types of Co-operative Societies	1,388	855	1,368	1,439	3,305	1,513	563
19.	Societies under Liquidation	277	2,175	4,408	4,158	3,823	3,207	2,517
	Total	14,954	19,431	23,159	25,083	29,930	31,908	25,945

Table: 6.11: Some Basic statistics of Co-operative Movement in the state for some recent years

Sl No	Particulars	Year			
		2008-09	2009-10	2010-11	2012-13
1	No of Co-operatives	34,025	34,863	35,502	37,468
	a)of which working	29,298	30,112	30,963	33,172
	b) of which deferred	2,589	2,588	2,183	2,014
	c) of which liquidated	2,138	2,163	2,356	2,282
2	Share Capital (₹ In Crores)	2,786	3,171	3,480	3,129
	a)of which Govt	207	198	206	193
	b)of which members	2,579	2,973	3,274	2,936
3	Membership in actuals	1,87,88,741	1,99,04,730	2,15,33,651	2,18,11,687
4	Working Capital (₹ in Crores)	32,693.50	38,249	41,355	58,692
5	Deposits (₹ in Crores)	8,260	11,548	20,360	27,701
6	No. of villages covered by Co-operation %	100%	100%	100%	100%
7	No.of Agricultural families in the State (2001 census)	59.15%	59.15%	59.15%	59.15
8	Adult population covered by Co-operation (%)	77.60	77.60	77.60	77.60
9	No.of Co-operatives under profit	18,866	19,318	17,732	19,963
10	No.of Co-operatives under loss	15,159	15,545	16,518	16,451

Table 6.12: Co-operative Movement in Karnataka for some Selected years

(₹ in Lakhs)

Year	No. of Co-operatives	Membeship	Share Capital	Working Capital
1991-91	25,083	1,18,00,000	43,108.00	3,15,833.00
1994-95	25,903	1,33,26,000	70,411.02	6,86,091.00
1995-96	26,411	1,35,58,480	76,565.76	10,26,550.86
2000-01	29,930	1,62,00,000	1,47,316.00	21,19,867.00
2001-02	30,862	1,86,00,000	1,49,990.00	21,57,543.00
2002-03	31,908	1,95,00,000	1,62,740.00	22,65,420.00
2003-04	32,804	1,97,00,000	1,70,877.00	23,78,690.00
2010-11	35,502	2,15,34,000	3,47,900.00	41,35,500.00
2011-12	36,457	2,63,99,000	3,02,220.00	51,86,353.00
2012-13	37,468	2,18,11,000	31,29,00.00	58,69,200.00

Source: Registrar of Co-operative Societies in Karnataka, Bangalore.

K.C.S. Act 1959

Before the re-organization of the State (1956), different Co-operative Acts and rulers were prevailing in different parts of Karnataka. In 1959, more comprehensive and uniform law, applicable to the entire State, a Co-operative Act, known as K.C.S. Act 1959 was ushered in and rules there under were adopted in 1960. The present Act has been amended 22 times till 2009. The important amendments were incorporated in 1970, 1976, 1984 and 1998. The department of Co-operation is empowered to enforce 10 different Acts and Rules including Karnataka Souharda Co-operative Act & Rules, 2004 and Prohibition of Charging Exorbitant Interest Act, 2004.

Karnataka Souharda Co-operative Act, 2001

The above Act, said to be the parallel Act to KCS 1959, was passed in 1997 and was brought into effect from first January, 2001 and rules there under in 2004. The need for the above alternative legislation was keenly felt in general, mainly because of the report of the committee appointed by the Planning Commission, and had remarked that "Co-operative movement has failed in India. But it must succeed". It has failed because of the too much interference of the Government, so the people have to be given freedom for running the Co-operatives themselves. Hence the Model Act prepared by the Planning Commission incorporating common liberal Co-operative principles was adopted by several States including Karnataka.

It is a mile stone in the history of Co-operative movement in Karnataka. It has taken rapid changes in the *modus operandi* or working pattern and the qualities of Co-operatives being improved. The Karnataka State Souharda Federal Co-operative Ltd., is an organization formed under the provisions of Karnataka State Souharda Act and is working since 2002. The progress of the Souharda

Co-operative is as given under for	2012-13
No. of Souharda Co-operatives	2,429
Members	1, 45,000
Share Capital	315 Crores
Deposits	6000 Crores
Loans	4600 Crores
Reserve Fund	535 Crores
Working Capital	7000 Crores
Profit	106 Crores

People in direct appointment	17,500
People employed indirectly	13,500

The movement has covered all the 30 districts of the State. The highest number of Souharda Co-operatives are found in Belgaum (686) followed by Bangalore (213), Bijapur (193), and the least is in Chamarajnagar (5) and Mandya (4). (Source: Karnataka State Souharda Federal Co-operative Ltd. Bangalore.)

Yeshasvini Co-operative Farmers Health Care Scheme

yeshasvini is a unique Health Care Scheme under the Co-operative fold covering the members of the rural Co-operatives up to the age of 75. It is mainly aimed to ensure good health to the farmers of Karnataka. It is a unique health care scheme extended to poor farmers and their family members, being appreciated all over the world and adopted by many States. The scheme was launched from 1st June, 2003. It has revolutionized rural health care and healing. Under the scheme with a meagre sum of ₹ 150 per year, per member, a farmer Co-operator can now confidently face any complex health related challenges and can get a quality treatment and can have easy access to expensive medical or surgical treatments, in selected hospitals all over the State.

Under the scheme, a member can avail free surgery up to ₹ one lakh per surgery, and ₹ two lakh for multiple surgeries during a year. As many as 1600 types of surgeries have been included under health care. The scheme also covers medical emergency like drowning, dog bite, snake bite, bull gore injury, burns, electric shock, and accidents from agricultural implements, normal delivery Neo natal care, free outpatient consultation including diagnostic tests at concession rates.

Recently, the scheme has been extended to weavers and fishermen, but all members of the Co-operative societies in rural area. For the period 2010-11, 1,98,705 Co-operative members have availed the benefits under the scheme, which include 57,214 members surgeries and 1,41,491 treated as out patients. The Govt. has sanctioned and released ₹ 30 crores for 2010-11 under this scheme.

Regulated Market

Establishment of regulated markets, especially for agricultural produces went a long way in providing fair and remunerative prices to the

growers. The need for the establishment of Regulated Markets, especially in respect of agricultural produces was keenly felt as early as in 1928 by the Royal Commission on Agriculture. In different parts of integrated Karnataka efforts were made to establish regulated markets in a phased manner depending upon the potentialities. In the former Bombay Karnataka area, as early as in 1927, major cash crop cotton was the first commodity to be brought under regulation under the Bombay Cotton Market Act, 1927. The markets of Hubli and Gadag were brought under the operations of this Act in 1938. Bailahongala market in Belgaum district was first Market to be established in 1936 in the Bombay region. In the former Hyderabad Karnataka area regulated markets came into being in 1930. In the Madras-Karnataka area, Madras Commercial Crop Act of 1933 was ushered in to regulate the marketing of commercial crops. In a tiny Kodagu State, coffee being the main commercial crop, marketing of it was covered by Coffee Marketing Expansion Act 1942, and Coffee Act of 1942 of the Central Government

In the former Mysuru State, Mysuru Agricultural Produce Markets Act, 1939 was enacted for the purpose. The First Market Committee to be established in old Mysuru was at Tiptur in 1948 under which the trade of copra and coconut was regulated. The Reorganization of the State in 1956 brought in its control 54 regulated markets governed under different Marketing Legislations that were in force including marketing personnel and market committee officials. In 1966, an Act, more comprehensive, uniform and applicable to the entire State known as Karnataka Agricultural Produce Marketing (Regulation) Act was enacted and brought into force from May, 1968.

There is a State Agricultural Marketing Board (1978) to guide, regulate, co-ordinate and finance developmental activities of regulated markets in the State. The activities of the Board are mainly promotional. Karnataka is the first State in the country to manage a college at Hubli (1964) and Mysuru for training of officials and other members engaged in agricultural marketing and allied activities. Again Karnataka is the first State to cover *hamals*, cartmen and weighmen of the A.P.M.C. under group insurance. A.P.M.C.s are extending short term loans to farmers up to ₹ 50,000 on pledge of produces.

Since the implementation of the Regulated Markets Act in 1968, efforts are being made to bring more and more new areas and notified commodities under the regulation. By 1978-79, the number of markets increased to 115, and that of sub-markets to 201. With this, Karnataka ranked 6th in the country in respect of regulated markets and sub-markets. By 1991-92, the State had 116 main markets and 303 sub-markets. The Division-wise distribution of market and sub-markets were: Belgaum 39 (118), Bangalore 33 (72), Gulbarga 26 (63), Mysuru 18 (50) (The number in the brackets indicates the number of sub-markets). In 2002-03 the State had 144 main markets and 343 sub-markets. The Division-wise distribution of main markets and sub-markets were: Belgaum 43 (129), Bangalore 38 (89), Mysuru 37 (56) and Gulbarga 26 (69) (brackets indicate sub-markets). During 2006-2007 there were 145 main markets and 350 sub markets in the state. As on 31st March 2012, there were 154 Main markets and 354 Sub markets with an annual turnover of ₹ 2331643.17 Crores, were operating in the State.

If Belgaum district with 10 Main markets and 37 Sub-markets topped the list, Tumakuru district with 9 Main and 25 Sub markets ranked second. While, Uttara Kannada district with 8 Main and 20 Sub markets ranked third, Bangalore Rural district, with two Main and Three Sub Markets ranked the least. The numbers of Regulated Markets are more in the former Bombay-Karnataka area because of the earlier implementation of the Regulated Markets Act and the coverage of the wider areas under the market regulations.

The main vision of the department is to develop marketing system in the state, according to the needs of globalization and to create a vibrant self-rational and competitive agriculture marketing system in the State. The mission of the department is to ensure adequate infrastructure in the market yard and submarket yards, through A.P.M.C. to ensure better price realization through value addition to agriculture commodities. The department is empowered to implement. (1) The Karnataka Agricultural produce Marketing (Regulation and Development) Act of 1966 and Rules 1968. (2) Agricultural produce (Grading and Marking) Act, 1937 (Central Act) (3) Karnataka State Ware Houses Act 1961 and Rules 1969 (Licensing Aspect only)

The value of notified commodities traded in all the APMCS of the State for the last 3 years is given below:

2008-09	=	₹ 15463.74 crores
2009-10	=	₹ 17796.41 crores
2010-11	=	₹ 20045.00 crores

Table 6.13: Market and License Fee collected

Year	Market	License	Total (₹ in crores)
2008-09	202.39	10.97	213.36
2009-10	243.50	3.32	246.82
2010-11	300.67	2.74	303.41

Projects undertaken

In 2012 Government has accorded administrative approval for establishing Rice technology Park for processing, grading packing branding marketing and export etc. of Rice at Karatagi of Gangavati taluk at an estimated cost of ₹ 3719 lakhs, and during 2011-12, ₹ 500 lakhs have been allocated.

Development of Markets in Backward Areas:

As per Dr. Nanjundappa Committee Report, 39 markets were identified in most backward area during 2008-09. Totally ₹ 9351.80 lakhs was estimated for the development project and has been submitted to high level committee:-

As per the recent amendments to the existing law, since 2011 wood has been deleted from the list of notified commodity and as per the New Industrial Policy of 2009-14 Market fee for industries has been waved off with a view to encourage the investors in the state for new food processing industries and for renewal of existing food processing industries.

Raitha Sanjeevini Scheme

Under the scheme, compensation varying from ₹15,000/- to 50,000/- is given to members of the farmers family if they meet with an accidental death and permanent disability while doing agricultural or market operations. Farmers need not pay any premium for this purpose. During 2010-11, ₹ 3083 crores relief was given to 885 farmers.

Janashri Bima Yojana

This is Government of India Scheme under which the *Hamals*, *Weghmen* and *Cartmen* working in APMCS under license are insured against death and permanent disability. On behalf of the *Shramik*, ₹ 100 per annum is paid by the APMC and the remaining ₹100 paid by Government of India, the scheme is implemented through LIC. Under the scheme ₹30,000 in case of natural death and ₹ 75,000 in case of accidental death or permanent disability is compensated to the affected. Under the scheme during the year 2010-11, ₹ 30.59 lakhs was given to 99 *shramikas* as insurance amount.



A.P.M.C Yard, Karnataka

Table 6.14 : Number of Regulated Markets sub markets and turnover as in 2006-07

Sl. No.	District	Main Markets	Sub Markets	Total	Turnover (₹ In lakhs)
1.	Bangalore	2	7	9	200778.13
2.	Bangalore (R)	4	10	14	8829.72
3.	Chitradurga	4	10	14	20116.69
4.	Davanagere	6	8	14	48495.31
5.	Kolar	8	16	24	37895.62
6.	Mysuru	4	18	22	58407.37
7.	Tumakuru	9	25	34	24300.07
8.	Belgaum	10	36	46	31208.08
9.	Bijapur	3	14	17	14169.82
10.	Bagalkot	5	15	20	14337.63
11.	Dharwad	5	11	16	44090.13
12.	Gadag	5	17	22	24534.63
13.	Haveri	7	12	19	56454.28
14.	Uttar Kannda	8	20	28	24684.99
15.	Bellary	6	14	20	40738.19
16.	Bidar	5	9	14	14111.93
17.	Gulbarga	7	22	29	53908.95
18.	Raichur	4	11	15	70056.62
19.	Koppal	4	13	17	56433.07
20.	Chikmagalur	6	9	15	12554.86
21.	Dakshina Kannada	5	4	9	33364.24
22.	Udupi	3	3	6	6439.53
23.	Hassan	6	17	23	20368.42
24.	Kodagu	3	4	7	6839.53
25.	Mandya	6	10	16	19372.17
26.	Mysuru	7	8	15	46183.08
27.	Chamarajnar	3	4	7	5454.31
	State	145	350	495	994156.83

Table 6.15 : Districtwise No. of Main and Sub-markets with total turnover of Regulated Commodities in these markets covering 2011-12

Sl. No.	District	No. of Main Markets	No. of Sub Markets	Principal (Main) Commodities Marketed In the District	Total Turnover of all 92 commodities (in lakhs)
1.	Bagalkote	6	14	Jowar, Maize, Bajra, Bengal gram, Greengram	38230.77
2.	Bangalore	2	7	Onion, Potato, Fruits, Rice, Wheat, Garlic	366239.96
3.	Bangalore (R.)	2	3	Vegetables, Maize, Paddy	17676.74
4.	Belgaum	10	37	Onion, Paddy, Tur, Green gram, Jowar, Bengal gram	67608.17
5.	Bellary	6	15	Paddy, Bajra, Dry chillies, Tur, Bengal gram	110308.06
6.	Bidar	5	9	Paddy, Maize, Tur, Bengal gram Urid	34904.96
7.	Bijapur	3	14	Tur, Bengal gram, Cotton	46230.03
8.	Chamarajanagar	3	4	Paddy, Cotton, Turmeric, Maize	20123.77
9.	Chikkaballapur	4	8	Onion, Potato, Maize	22749.33
10.	Chikkmagaluru	5	10	Vegetables, Arecanuts, Ragi	29870.35
11.	Chitradurga	4	10	Onion, Cotton, Paddy, Maize, Arecanut, Groundnut	64942.66
12.	Dakshina Kannada	5	10	Arecanut, Copra, Pepper, Coriander	70275.57
13.	Davanagere	6	8	Cotton, Paddy, Groundnuts, Maize, Onion	96967.51
14.	Dharwad	5	12	Maize, Onion, Potato, Wheat, Cotton	75209.42

15.	Gadag	5	17	Jowar, Maize, Wheat, Bengal gram, Greengram, Cotton	73690.62
16.	Gulbarga	6	14	Tur, Jowar, Bengal gram, Green gram, Urid	100141.22
17.	Hassan	6	17	Potato, Coconut, Paddy	74039.30
18.	Haveri	7	12	Paddy, Bajra, Dry Chilly	144279.77
19.	Kodagu	3	4	Paddy, Pepper, Ginger	17432.61
20.	Kolar	5	7	Groundnut, Potato, Tomato, Onion	49129.53
21.	Koppal	5	12	Paddy, Rice, Maize, Bajra, Tur	130454.72
22.	Mandya	6	11	Jaggery, Paddy, Tender coconuts	54641.61
23.	Mysuru	7	8	Paddy, Ragi, Sunflower, Cotton	81829.52
24.	Ramanagar	3	5	Vegetables, Coconuts, Maize	7247.71
25.	Raichur	4	12	Paddy, Cotton Groundnut, Sunflower, Bajra	131214.30
26.	Mysuru	7	15	Arecanut, Paddy, Maize	163604.74
27.	Tumakuru	9	28	Copra, Coconut, Ragi, Arecanut	98802.72
28.	Udupi	3	3	Paddy, Maize, Coconut	19201.03
29.	Uttara Kannada	8	20	Paddy, Mango, Vegetables, Arecanut	52982.79
30.	Yadgiri	3	8	Groundnut, Paddy, Tur, Bengalgram	71613.68
	Total	153	354		2331643.17

Important Markets and Notified Commodities are as follows;

Cotton	Bijapur, Ranebennur, Bailhongal, Raichur, Santhesarguru, Haveri, Soundatti, Hubli, Dharwad, Bellary, Nargund, Gadag
Groundnut	Chalkere, Gadag, Chitradurga, Raichur, Davangere, Hubli.
Dry Chillies	Byadagi, Hubli, Ranebennur and Haveri.
Jaggery	Mandya, Mahalingapur, Bhadravathi, Chamarajanagar, Belgaum, Bagalkot, Jamkhandi, Bangarpet.
Areca	Mysuru, Sagar, Sirsi, Mangaluru, Chitradurga.
Coconut	Kadur, Tarikere, K.R.Pete, Tiptur (copra). Arsikere, Mandya, Channarayapatna.
Fruits, Flowers & Vegetable	Bangalore, Mysuru, Belgaum and Hubli.
Paddy	Gangavathi, Sindhnoor, Raichur, Siraguppa, Manvi, Davangere, T.Narasipur, Bellary.
Jowar	Gadag, Haveri, Belgaum, Bijapur.
Wheat	Gadag, Bijapur, Belgaum, Dharwad.
Ragi	Arasikere, Hassan, Tamkur, Harapanahalli.
Tur & Dal	Gulbarga, Bidar, Yadgir, Sedam, Chitapur and Raichur.
Betel leaves	Honnavar, Dharwad, Ranebennur, Savanur, Tumakuru and Channapatna.
Onion	Bangalore, Hubli, Belgaum, Davangere, Challakere and Mysuru.
Potato	Mysuru, Malur, Chikballapur, Bangalore, Hassan, Belgaum and Hubli.
Spices	Madikeri, Gonikoppal, Mudigere and Sakaleshpur.
Silk	Ramanagar, Channapatna, Kanakapura, Sidlaghatta, Vijayapura & Kollegal.
Tender Coconut	Maddur, Mandya

The Karnataka Agricultural Produce Marketing (Regulation and Development) (Second Amendment) Bill, 2013

It envisages the introduction of warehouse-based sales and single unified license to traders. It proposes to introduce market reforms in the agricultural marketing sector by introducing warehouse-based sales, single unified license to traders and improved marketing access. It is said that no market fee would be levied on flowers, fruits and vegetables and the marketing committee would collect user charge from buyers of the produce at such rates specified in the bylaws approved by the Director of Agriculture Marketing. The Director of Agriculture Marketing would issue licenses to traders to operate as trader in any of the APMC yards and private market yards in the State. The existing licensee should obtain a fresh trade license within a period of six months from the date of commencement of the Karnataka Agricultural Produce Marketing (Regulation and Development) (Second Amendment) Act, 2013. The Bill envisages establishing a direct purchase centre to buy notified agricultural produce directly from an agriculturist. It also proposed to set up a Registering Authority for addressing disputes arising out of contract farming. It would resolve the dispute within 30 days from the date of reference of dispute by giving the parties a reasonable opportunity of being heard. It would eliminate the role of middlemen in APMCs and allowed traders to sell produce in any market in the State.

Karnataka State Warehousing Corporation

According to the prevailing local conditions, different methods of conserving food grains are in vogue in different parts of Karnataka especially by the agriculturists. The concept of Public Warehousing is of recent development, though temples did have common warehouses for storage of food grains in villages, when land revenue was collected in kind, the State had warehouses at various points to store them. The Royal Commission on Agriculture in 1928, the Reserve Bank of India in 1944 and the Rural Banking Enquiry Commission in 1950 had emphasized the need for the establishment of a warehousing system for agricultural product and creation of a negotiable papers. It was not until the All India Rural Credit Survey Committee which again reiterated and recommended in 1954 that the concept of warehousing had taken a concrete shape. These recommendations paved the way for

enactment of Agricultural Produce (Development and Warehousing) corporations Act, 1956 (since replaced by the Warehousing Corporation Act, 1962) and establishment of the Central and State Warehousing Corporations.

The Karnataka State Warehousing Corporation was established in November 1957, with an authorized share capital of ₹ two crores and a paid-up share capital of ₹ 1.99 crores. It started effective functioning in October 1958 with the establishment of three warehousing centres at Mysuru, Hubli and Raichur. As in 1978, there were 46 warehouse Centres functioning in the State at several places. The total capacity was of the order of 1,56,317 tonnes. During 1980-81, the Corporation was running 49 warehouses with a storage capacity of 1,50,937 tonnes. The head office of the Corporation is located at Bangalore. There are two regional offices, one at Mysuru and the other at Hubli. Warehousing, in the public sector, operates under the Central Warehousing Corporation at the Centre, the State Warehousing Corporations at the State, taluk and village levels. The warehousing corporations provide, scientific storage facilities and save the producers from making distress sale by providing them cheap credit against pledging of their stocks which are covered by warehouse receipts. For the goods deposited in a warehouse, the corporation gives a warehouse receipt which is a negotiable document. Both the Central and State Warehousing Corporations have been contributing to the National economy by avoiding wastage in handling and storage of agricultural produces, inputs and other commodities. The commodities accepted for storage in warehouses are nearly 200 in number. The chief among them include food grains, pulses, cotton, jute, vegetable oil, oilseeds, fertilizers, agricultural implements and notified commodities and also those as and when announced by the Central Government. Stocks stored for storage in the warehouses are examined and graded according to the National Grades of specifications and are recognized by the traders banks and others.

As of February 2012, the Karnataka State Warehousing Corporation (KSWC) was operating 121 warehouses across the state with a capacity of 10.04 lakh MT. The capacity utilization of these warehouses and storage spaces stood at 74 percent. Central Warehousing Corporation (CWC) has a current storage capacity of approximately 4.39 lakh MT in the state and operates 33 centres.

Food Corporation of India is operating 52 storage centres with a capacity of 13.13 lakh MT. The state has around 180 cold storages with a capacity of 4.87 lakh MT.

Coins and Currency

The currencies which were prevalent in different parts of Karnataka during the last 100 years provide an interesting field of study for numismatists. The coins of the Satavahanas, Kadambas, Gangas, Badami Chalukyas, Rashtrakutas, Kalyana Chalukyas, Kalachuris, Seunas, Hoysalas, Vijayanagara, Mysuru, and the coins minted by the smaller kingdoms and independent *palegars* provide a fertile arena for the study of the gold, silver and copper coins. The gold *varahas* or *gadyanas* of Kadambas, Chalukyas and the Vijayanagara; the silver coins of the Rashtrakutas which came into general use with the ascendancy of Muhammadan dynasties in the North; the rupee coins issued by the East India Company have their own tales to recount about the general economic conditions of their times. Two Princely States and the British India were minting the coins during the turn of the present century. After Independence, the different currencies which were in circulation were replaced by the Government of India currency throughout the Country. Kanthjraya *honnu* (pagoda) of Mysuru was in circulation in the State during the latter part of the last century. In 1870, the Indian Coinage Act of 1870 was extended to Mysuru State. It resulted in making the coins of the Government of India, a legal tender in the State. Later in 1879 the currency notes of Madras circle were made legal tender in Bangalore City. After nearly 30 years during the First World War, under the Emergency Regulation XI of 1918, the currency notes of Government of India issued within the Madras circle were made legal tender in the old Mysuru State also. The One rupee note first issued in December 1917 was discontinued in January 1926. The coins issued by the Government of India were of copper, nickel and silver. Copper coins in circulation were in the denomination of *kasu* (pie) *murukasu* (quarter *anna*) and *ardhane* (half *anna*). Nickel coins were also in the denomination of *ane* (one *anna*), *eradane* (two *annas*) and *pavali* (four *annas*). The silver coins in circulation were *dodda ane* (two *annas*), *pavali* (four *annas*), *ardha rupayi* (half rupee) and *rupayi* (one rupee). Paper currency was introduced in British India after the

establishment of the Paper Currency Department by the Government of India in March 1862. The three Presidency mints were empowered to issue the paper currency and in 1938 the function of issuing notes was transferred to the Reserve Bank of India. As a result, the Reserve Bank of India started issuing currency notes since 1938. After Independence, the new emblem of the Government of India appeared on the coins and notes in the place of King George VI. New coins of all denominations were introduced after 1947. The rupee was divided into 16 *annas* and each *anna* was divided into 12 pies (*kasu*). High denomination notes (₹ 1,000, ₹ 5,000, ₹ 10,000) were reintroduced in 1954.

The shift to decimal coinage was made in 1957. The Indian Coinage (Amendment) Act of 1955, paved the way for the introduction of the decimal coinage system and the coins in the denomination of one, two, five, 10, 25 and 50 paise were introduced in 1957. Currency notes in the denomination of ₹ 10, 20, 50, 100, 500 and 1,000 were issued by the Currency Department. In January 1978, all high-denomination banknotes (₹1000, ₹ 5000 and ₹ 10,000) were demonetized to curb unaccounted money. In order to contain the volume of banknotes in circulation due to inflation the ₹1000 banknote was reintroduced in 2000.

The Reserve Bank of India has today advised that after March 31, 2014, it will completely withdraw from circulation all banknotes issued prior to 2005. From April 1, 2014, the public will be required to approach banks for exchanging these notes. Banks will provide exchange facility for these notes until further communication. The Reserve Bank further stated that public can easily identify the notes to be withdrawn as the notes issued before 2005 do not have on them the year of printing on the reverse side. The Reserve Bank has also clarified that the notes issued before 2005 will continue to be legal tender. This would mean that banks are required to exchange the notes for their customers as well as for non-customers. From July 01, 2014, however, to exchange more than 10 pieces of ₹ 500 and ₹1000 notes, non-customers will have to furnish proof of identity and residence to the bank branch in which she/he wants to exchange the notes.

Special Commemorative Coins: After independence, the Government of India mint, minted coins imprinted with Indian statesmen,

historical and religious figures. In the year 2010 and 2011 for the first time ever ₹ 75, ₹ 150 and ₹ 1000 coins were minted in India to commemorate the Platinum Jubilee of Reserve Bank of India, 150th birth anniversary of Rabindra Nath Tagore and 1000 years of Brihadeshvara Temple, Tanjore respectively. In 2012 a ₹ 60 coin was also issued to commemorate the 60 years of Government of India Mint, Kolkata. Likewise commemorative coins are issued regularly to commemorate the occasion meaningfully.

Department of Legal Metrology: Formerly known as Department of Weights and measures, now in order to align with the recommendations of International Organization of Legal Metrology for which India is also a member country, the Department is renamed as “Department of Legal Metrology”. The department aims for the 1) Maintenance of accuracy in all Weights & Measures used in trade, Commerce & Industry. 2) Protection of Consume against cheating in Weights and Measures in transaction. 3) To ensure correct quantities in Weights, Measures and Packaged Commodities. 4) To ensure correct Weighment of farm produce in sale and transaction. In order to achieve the above goal, the Department is enforcing and implementing the following Central and State Legislations. a) The Legal Metrology Act -2009. 2) The Legal Metrology (General) Rules - 2011. 3) The Legal Metrology (National Standard) Rules - 2011. 4) The Legal Metrology (Numeration) Rules – 2011. 5) The Legal Metrology (Approval of Models) Rules – 2011. 6) The Legal Metrology (Packaged Commodities) Rules – 2011. 7) The Indian Institute of Legal Metrology Rules – 2011. 8) The Karnataka Legal Metrology (Enforcement) Rules – 2011.

Table: 6.16: Statistics of the Department for the Last Five Years up to September 2013

Year	Verification Fees (₹ in lakhs)	No. of Cases Booked (Number)	Compounding Fees Collected (₹ in lakhs)
2008-09	1882.83	40,990	529.76
2009-10	2002.06	39,593	512.06
2010-11	2087.44	35,728	459.83
2011-12	1753.61	32,043	474.66
2012-13	1457.20	20,463	417.88
Up to Sept 2013	808.00	11,014	205.06

