

CHAPTER VI

BANKING, TRADE AND COMMERCE

BANKING AND FINANCE

Indigenous Banking

Like in other parts of the country, the district has its tradition of indigenous bankers in towns and money-lenders in villages. The former receive deposits, deal in *hundis* and finance trade and industry, advance loans after carefully ascertaining the purpose for which these are required. The money-lenders in villages on the other hand mainly finance consumption.

From time immemorial, the *sahukar* (rural money-lender) has controlled the village economy and the poor peasantry has been at his mercy for all their social and economic needs. In his dual capacity of a money-lender and shopkeeper he has preferred to ensure the agricultural produce as his security. He offset it at cheap rates against the loan and then sold it at a higher rate to individual consumers or in a *mandi*. After 1870, when land became a profitable investment the money-lender began to impose such hard terms in his land mortgages that a mortgage nearly always ended in sale. Government arrested this faulty land policy by passing the Punjab Alienation of Land Act, 1900. The *sahukars* were debarred from acquiring mortgaged lands and were only entitled to their produce. From then onwards till the abolition of the Act in 1950, another class of agriculturist money-lender came to the fore. Land-holders who had become rich on account of high prices, and ex-servicemen and retrenched service personnel who came home with money in their pockets, turned into money-lenders. While the former *sahukars*, deprived of land as a security, could only lend up to the limit of what could be repaid from the produce, the agriculturist money-lender to whom the Act did not apply, could afford to lend up to the value of the land.

The power of the money-lender in the field of rural finance is reduced but not destroyed by efforts of the Government and co-operative agencies. The latter, which came in the field in the first decade of present century, do not have adequate funds to meet the rural requirements of credit.

Besides, co-operative loans are given only for productive purposes whereas a money-lender gives loan for unproductive purposes as well say for consumption, on personal sureties and on the security of produce, land, ornaments or property. Generally, the sum advanced is 60 to 70 per cent of the value of the property pledged. The rate of interest varying from 12 to 36 per cent, is higher for loans advanced on personal surety as compared to those advanced against security. Even the common rate of $18\frac{3}{4}$ per cent is much higher than the rate of $7\frac{1}{2}$ to $9\frac{1}{2}$ per cent on loans advanced by the co-operative societies. The Punjab Regulation of Accounts Act, 1930, insists on the maintenance of accounts, but most transactions in villages are either oral or against ornaments. Various malpractices are employed to defeat anti-usuary laws; promissory notes are obtained for a higher amount than what is actually advanced; even duplicate account books are kept when necessary.

Under the Punjab Registration of Money-lenders' Act, 1938, the business of money-lenders is regulated and they are required to maintain regular accounts. They are also required to get themselves registered with the Collector and get a licence. But all money-lenders do not get themselves registered. In 1966, in the Rohtak district, there were 22 licensed money-lenders in addition to a good number of un-registered ones.

The Government is anxious to provide credit facilities in rural areas through co-operative banks and institutional credit agencies like the Khadi and Village Industries Commission. It also advances *taccavi* loans under the Land Improvement Loans Act XIX of 1883 and the Agriculturists' Loans Act XII of 1884.

These loans are issued for seeds, cattle, agricultural improvements and also under various schemes, viz. Grow More Food, National Extension Service and Community Projects.

Loans are also advanced for the promotion of industries. The Haryana Financial Corporation caters to credit requirements of the industrialists.

Joint-Stock Banks

Good banking facilities are available at Rohtak, Bahadurgarh, Jhajjar, Gohana, Sonapat, Maham, Beri and Sampla. The list of

branches of various joint-stock banks in the district is given in Table XVIII of Appendix.

These banks open their branches at places where there is a scope for business. The State Bank of India with its branches at various places is the local agent of the Reserve Bank of India and Government transactions are handled by it in this capacity.

Co-operative Credit

The co-operative movement started in the district with the enactment of the Punjab Co-operative Credit Societies Act, 1904, and the first co-operative society was registered in 1910. The co-operative movement gained momentum and made much headway with the passage of the subsequent Acts of 1954 and 1961. In 1966, there were 1,507 co-operative societies excluding industrial co-operative societies, of which 958 were agricultural and 93 non-agricultural credit societies.

The agricultural co-operative credit societies include agricultural thrift and credit societies, agricultural multipurpose societies and agricultural co-operative service societies. The primary object of these societies is to assist the farmer to increase agricultural production and to play a major role in the development of rural economy by providing adequate facilities for short and medium-term credit for fertilizers, improved seeds, better implements, for marketing and storage and for extension of advanced agricultural techniques.

The non-agricultural co-operative credit societies comprise urban banks, employees credit societies and others catering to the credit requirements of the non-cultivating section in urban and rural areas.

The Rohtak Central Co-operative Bank Limited, Rohtak.—This bank has been functioning in the district since 1914. It has 4 branches at Jhajjar, Sonapat, Gohana and Bahadurgarh.

The bank advanced loans amounting to Rs. 1.36 crores during the year ending June 1966, as compared to 94 lakhs during the preceding year. The working capital of this bank is nearly Rs. 2 crores.

The Rohtak Primary Co-operative Land Mortgage Bank Limited, Rohtak.— Since long-term finance was not provided to the farmers by the co-operative credit institutions, the land mortgage banks were established for advancing long-term loans against land mortgage for productive purposes. The bank at Rohtak was established in 1962. During the year ending June 1966, the bank advanced Rs. 11.31 lakhs.

There are no indigenous high finance agencies in the district like commercial bankers' association or stock exchange.

The number, membership and working of agricultural and non-agricultural co-operative credit societies and co-operative banks are given in Tables XIX, XX and XXI of Appendix.

Insurance

Private insurance companies covered life risk besides marine, fire, motor accidents and miscellaneous accident risks up to 1956 when the Life Insurance Corporation was established in the public sector. After this only general insurance remained in the private sector. The companies working in the district for general insurance in 1966 were : the Oriental Fire and General Insurance Company, Rohtak, the New India General Insurance Company Limited, Rohtak, the Anand Insurance Company, Rohtak, and the Northern Insurance Company, Rohtak. The Life Insurance Corporation (L.I.C.) also entered the field of general insurance in 1964. It started its office in Rohtak in 1956 with a sub-office at Sonapat. In 1966, it had 22 Development Officers and 291 agents.

The life insurance business and general insurance business done by Life Insurance Corporation during 1962-63 to 1965-1966 is given below :

Year	Life Insurance		General Insurance	
	Number of policies	Sum assured	Number of cases	Premium income
		(Rs.)		(Rs.)
1962-63	3,702	1,87,83,200		
1963-64	2,311	1,15,34,700		
1964-65	1,673	87,12,500	11	260
1965-66	1,967	1,05,11,500	60	3,827

Small Savings

Post Office Savings Banks and Cumulative Time Deposits, 12-Year National Defence Certificates, 10-Year Defence Deposit Certificates, 15-Year Annuity Certificates, 10-Year National Plan Certificates, etc., constitute the small savings. These schemes were introduced to instil the saving habit among people and to mobilise resources for a developing economy.

The Post Office Savings are generally made by middle class people in rural as well as urban areas. There were 194 post offices providing savings bank facilities in 1966 and these included the head post office at Rohtak, 44 sub-offices and 149 extra departmental branch offices. The following table giving the number of savings bank accounts and the total amount invested during 1962-63 to 1965-66 shows the progress made in mobilising savings:—

Year	Number of savings bank accounts	Amount of credit (Rs.)
1962-63	28,671	1,28,91,881
1963-64	34,523	1,28,61,908
1964-65	43,462	1,49,42,229
1965-66	47,186	1,80,66,704

Apart from savings banks the small saving schemes have helped to collect deposits. The collections made during 1962-63 to 1966-67 are given below :

Year	Total gross collections (Rs.)	Total net ¹ collections (Rs.)
1962-63	1,85,79,526	1,26,46,803
1963-64	1,79,69,844	39,13,217
1964-65	1,99,15,987	23,61,650
1965-66	2,32,00,045	33,67,491
1966-67	2,82,68,820	43,17,030

1. The lower amount of net collections is due to withdrawals.

Currency and Coinage

To start with, people in rural areas in particular had some misgivings about the utility of the introduction of decimal coinage in 1957. Conversion tables were placed at all places of money transactions in order to make things easy for the public. It is, however, now working well. Conversion factor has been given in Table XXII of Appendix. The prefix 'naya' in the designation 'naya paisa' was dropped with effect from June 1, 1964.

TRADE AND COMMERCE

In the 19th century, trade was confined to movement of grains, cotton, raw sugar, ghee and hides to the nearby markets of Delhi and Meerut (U.P.) by small traders and agriculturists. These goods were mostly carried in large carts. The imports were chiefly cloth, tobacco, sugar, salt and hardware. The position was not much different in the early 20th century. The nature and direction of trade have since undergone change. In 1966, the usual articles of export were wheat, cotton, gram, jowar, bajra, gur, shakkar, oil-seeds, groundnut, cotton seeds, chillies, green and dry fodder. With the growth of industries in the recent past, the district has also started exporting many products like bicycles, bicycle parts, steel tubes, glassware, chinaware, sewing machine parts, rubber goods, buttons, niwar, tapes and medicines. The imports of the district consist of cloth, tobacco, salt, medicines, stone slates, iron and steel, coal, industrial raw materials such as lithophone, dyes, raw rubber, rubber, latex, zinc oxide, sulphur, broken glass, soda ash, cotton yarn, etc. Trade is no longer confined to Delhi and Meerut. With greater use of road and rail transport, the traders have started sending their goods all over the country, especially to Uttar Pradesh, Rajasthan and West Bengal. The cattle of this area is in great demand as far away as Bombay and Calcutta.

Regulated Markets

The Punjab Agricultural Produce Markets Act, 1961, provides for the establishment of markets for agricultural produce in the State and for better regulation of its sale and purchase. Each village of the district has been attached with one market or the other and the provisions of the Act are applicable to the whole of the area where transactions, delivery and weighment are done. Each market committee has a principal market yard. In addition, there are sub-market yards in the town itself or in adjacent villages. Some of the

sub-market yards are occasionally prescribed for special commodities for facility of working.

There are six regulated markets in Rohtak district. Each of these has a market committee comprising representatives of the whole area. A list of the regulated markets along with their sub-market yards, number of villages covered and the year of regulation is given below. The main arrivals in each of the regulated market are also indicated.

Regulated market	Sub-market yard	Number of villages	When regulated	Main arrivals
Rohtak	(i) Kewal Ganj, Rohtak (ii) New Sabzi Mandi, Rohtak (iii) Kalanaur	82	1941	Wheat, gram, <i>gur</i> and cotton
Gohana	(i) Mundlana (ii) Maham (iii) Sabzi Mandi, Gohana	119	1958	Wheat, gram, <i>sarson</i> , <i>gur</i> , cotton and barley
Sampla	(i) Kharkhauda (ii) Beri	86	1950	<i>Gur</i> , cotton seed, <i>bajra</i> , rice, wheat, gram and <i>sarson</i>
Bahadurgarh	(i) Jhajjar (ii) Sabzi Mandi, Jhajjar	281	1941	Wheat, gram, barley, oil-seeds, <i>gur</i> , <i>bajra</i> and <i>jowar</i>
Sonepat	(i) Pirbhu Nagar, Sonepat (ii) Sabzi Mandi, Sonepat (iii) Murthal (iv) Bhatgaon (v) Jakhauli (vi) Bahalgarh (vii) Shivpuri Mandi, Kundli (viii) Mohana	196	1941	Wheat, gram, barley, <i>jowar</i> , <i>bajra</i> , maize, <i>sarson</i> , <i>gur</i> and vegetables
Ganaur	—	47	1966	Chillies, <i>gur</i> , <i>bajra</i> , cotton and vegetables

The usual course of trade in the district is through the secondary markets called *mandis*, where business is transacted daily. The produce is handled in large quantities and specialised operators perform different services. The sellers receive prompt payment in cash or by *hundis* from the commission agents. These *mandis* serve as assembling points for local produce or produce received from distant markets. Storage facilities are available here. From these *mandis*, the goods are despatched to other consuming markets by the traders.

Uniform market rates have been prescribed in all the six market committees. These comprise five paise per hundred rupees for auction, four paise per unit for filling, two paise per unit for sewing, Rs. 1.50 per hundred rupees as commission charges and 16 paise per hundred rupees as brokerage.

Centres of Wholesale and Retail Business

All the regulated and un-regulated markets are centres of wholesale as well as retail business. Certain markets specialise in certain commodities. For example, Sonapat specialises in *gur* and Murthal in chillies.

Rohtak and Sonapat do more wholesale business than other markets. Amongst the wholesale markets of Rohtak town, mention may be made of the Grain Market, Cloth Market, Kath Mandi, and the New Vegetable Market. Retailers are, however, found working side by side in these markets. Kewal Ganj Grain Market is a market for retail business. The chief shopping centres are Railway Road Bazaar, Qila Road Bazaar, Delhi Road Bazaar, Babra Bazaar, Main (Bara) Bazaar, Old Vegetable Market and Chembeli Market.

In rural areas, there are no marketing centres as such except for small shops for retail marketing. Fairs and *melas* being mostly socio-religious occasions do not serve the purpose of retailing agricultural produce.

Cattle fairs are held in various parts of the district. A list of cattle fairs is given below :—

Village/Town	Time of fair
Lakhan Mazra	January
Dujana	January, July
Kharkhauda	January-February, August-September
Rohtak	February, September
Sonapat	February, November

<u>Village/Town</u>	<u>Time of fair</u>
Dulehra	March
Jahazgarh ¹	March, October
Bahadurgarh	March, July-August, October, November- December
Maham	March, October
Sampla	April, December
Gohana	May-June, November
Kalanaur	May, December
Mohana	May
Bhakli (Railway Station Kosli)	April, September
Nahar	June
Chandpur (Machhrauli)	July

An interesting feature is a donkey fair that is held at Beri in February and October every year.

Co-operation in Trade

There is a District Wholesale Co-operative Marketing and Supply Society at Rohtak. It does wholesale business of Government supplies of agricultural seeds, sugar, salt, oils, fertilizers, insecticides, agricultural implements, etc. Besides, there are 8 co-operative marketing societies in addition to one co-operative marketing-cum-processing society at Kosli. A list of these societies is given below:

1. The Rohtak District Wholesale Co-operative Supplies and Marketing Society
2. The Rohtak Co-operative Marketing Society
3. The Ganaur Co-operative Marketing Society
4. The Sonapat Co-operative Marketing Society
5. The Gohana Co-operative Marketing Society
6. The Sampla Co-operative Marketing Society

¹ 1. An interesting account of the Jahazgarh Cattle Fair is given in the *Report of the Revised Settlement of Jhajjar Tahsil, 1883, pp.2-4.*

7. The Bahadurgarh Co-operative Marketing Society
8. The Jhajjar Co-operative Marketing Society
9. The Maham Co-operative Marketing Society
10. The Kosli Railway Station Co-operative Marketing-cum-Processing Society

The membership of the co-operative marketing societies consists of primary societies and individuals. These societies facilitate the operations of the affiliated co-operative institutions and perform multifarious functions. They supply seed, manure, agricultural implements, etc., to the members; make arrangements for the marketing and processing of agricultural produce, primarily of its members; maintain godowns, undertake running of warehouses for the storage of produce, and act as an agent of the Government for procuring agricultural produce. They disseminate knowledge of the latest improvements in agriculture among its members and provide a news service to them about the market rates and allied matters. They propagate knowledge of co-operative principles and practices and undertake such other activities as are conducive to the attainment of these objects.

Consumer Co-operative Stores.—The Rohtak Central Co-operative Consumers' Store Limited, Rohtak, was opened on July 12, 1963, under a scheme sponsored by the Government of India. By 1966, it had opened 14 branches in various parts of the district. These stores perform an important function by helping the consumers to get their daily requirements at reasonable rates.

State Trading

Fluctuation in the prices of foodgrains necessitated the adoption of State trading in wheat and other essential commodities. This helped to maintain a price level which was fair both to the producer and to the consumer. The extent of procurement basically depended on the extent of production.

For the purpose of distribution of foodgrains and other essential commodities, the Government sponsored a network of fair price shops. There were 188 such shops in various parts of the district in 1966.

Market Intelligence

Both the buyer and the seller must be well-acquainted with the

demand and supply position in order to strike a fair bargain. This will mean from the producers' side a regulated flow of supplies to the *mandis*, from the dealers' point of view adequate arrangement for handling the produce and its storage, and on the transport side availability of the right number of wagons or other transport at the required time.

For efficient marketing and right co-ordination of the forces of supply and demand, authentic information about the volume of marketable surplus, prices, arrivals, stocks and movements of the more important agricultural commodities is very essential. Market news about the rates of commodities is disseminated to the public through boards displaying rates outside the offices of the market committees, radio news bulletins, newspapers, etc. Some market committees send daily information cards to *sarpanches* of villages served by them. Besides, the producers are always encouraged to approach the market committees for eliciting information regarding the marketing of the agricultural produce.

Weights and Measures

During the 19th century the Government standard weights and measures were in common use among the people. Though accounts were sometimes made up with the *map* ($1\frac{1}{2}$ maunds), *barola* (2 seers), and *matkana* ($\frac{1}{4}$ seer) yet no such actual measures of capacity existed. The square measure was the *kachcha bigha*, three of which formed a Government *bigha*, equal to five-eighths of an acre. The country *kos* was about one mile and a quarter and *tirua*, a distance of an arrow's flight.

Till 1941, there was no uniform use of standard weights and measures. With increase in the commercial and industrial activity in the country, this chaotic state created a sense of uncertainty in trade. This situation made it easy for the traders to defraud their customers. It was to remedy this evil that the Punjab Weights and Measures Act, 1941, which in itself was a corollary to the Standards of Weight Act, 1939, was passed. The metric weights and measures were introduced in the district in October 1958, under the provisions of the Punjab Weights and Measures (Enforcement) Act, 1958. To obviate hardship to the public, a transitory period of two years was allowed permitting use of weights and measures which were in vogue immediately before the enforcement of the Act. The old local weights and measures are still on the lips of the villagers but their actual use is disappearing.

The Inspector, Weights and Measures verifies weights, scales, etc., used in trade. He enforces the strict use of standard and authorised weights and scales.

Storage and Warehousing

In villages, people store their produce in their houses, *kothas* (bins) or in bags. In markets, the *arhtiyas* (commission agents) and co-operative marketing societies maintain godowns and charge reasonable rates for storage of produce for the period when the producers are not willing to sell it. The mills and factories maintain godowns in their premises to stock the requisite raw materials.

The godowns maintained by private dealers and co-operative marketing societies were not of desired specifications and as there was no organised storage of grains, the Agricultural Produce (Development and Warehousing) Corporation Act, 1956, was passed. It was replaced by the Warehousing Corporations Act, 1962, under which the Warehousing Corporation was established. The Corporation was authorised to acquire and build godowns and run warehouses for the storage of agricultural produce. Accordingly, warehouses were opened in rented buildings in Rohtak and Gohana in 1962 and 1964, respectively, for providing facilities of storage to the people of these areas. The Gohana warehouse could not function successfully and had to be closed.

Bins and cold storages have also been opened in the private sector for storing agricultural and other goods.