

CHAPTER—VI

BANKING, TRADE AND COMMERCE

BANKING AND TRADE

INDEBTEDNESS AND MONEY-LENDING

Money-lending being very old and deep in the society-closely connected with agriculture is the serious problem of heavy rural indebtedness in modern India. As per the theory of Greek philosopher Aristotle, '*Man is social Being*'. He has to fulfil his basic needs through the medium of money. Indebtedness is a acute problem in rural areas, as the people in the country-side are mainly dependant on agriculture.

The Famine Report of 1879 indicated that the economic conditions of peasantry depended on various factors such as castes, size of family, sub-division of land, irrigation facilities, nature of soil and status of agriculturist. The causes of debt in the Palwal area of this district were generally extravagance which led to debt even in ordinary years; marriages and funerals, the expenditure on which was enormously disproportionate to the income; drought, which found the agriculturist without any surplus, killed his cattle and compelled him to borrow to pay the revenue and support his family and finally neglect to pay the interest on debts already contracted which rapidly multiplied.

In the Famine Report of 1879, the District Officer gave a detailed account about general economic condition of the agriculturists. The circumstances which determined the condition of a agriculturist in those days were as follows:

As a general rule, what ever be the nature of the soil he cultivated or the incidence of the revenue he paid, the caste of the agriculturist, which determined his habits and custom and natural disposition would determine economic condition. In those days he placed the Ahir Agriculturists at the first category and considered them most industrious, thrifty and prudent, though much of the land occupied by them was not of good quality. Despite the fact, they had, by unremitting toil, compelled the soil to yield them a wonderful amount of produce and had by prudent thrift kept themselves, and their land free from debt.

Next to them were Jat agriculturists who owned many villages in this district. Their land was very fertile and in the Palwal tahsil, where they formed the chief portion of the land-owning class, the incidence of the revenue had been hitherto extremely light. Still they were compelled by the circumstances to put themselves into debt and they could not keep their land free from mortgage.

Lastly, there were Meo-agriculturists, who lived so closely up to their income, and were negligent in developing the resources of their land in those days. The indulgence in unwarranted expenditure and the failure of harvests plunged them irretrievably into debt.

The District officer explained further about the conditions which deteriorated the economic balance of the agriculturists who were forced to contract debt. An extract from the *Gurgaon District Gazetteer*, 1910 is reproduced here¹ :—

“The general condition of the agricultural population, then may be said to be painfully dependent on the seasons; all their income comes from the land. Where a land owner, besides the actual produce of his own separate holding, can count among his income the proceeds of hiring his cart between the busy times, or those of the sale of his ghi, he finds that in a year of drought even these are apt to fail him, for the difficulty of feeding his oxen and his buffaloes swallows up all the income they bring, and where a cultivator ekes out the produce of his field by his dues as a village menial or family priest, he finds the villagers, in seasons of scarcity, unable to pay him the full fee. The Jats of Palwal are now greatly protected against drought, but are in some danger of increasing their expenditure too fast, and losing some of their old industry and thrift; but they may be generally described as well off, especially the land owners. They can easily stand a year of scarcity, and will probably soon recover themselves, though even they are, like all agriculturists, apt to neglect payment of the principal, and even of the interest, of a debt once contracted; and often carelessly allow the sum noted against them in the village money-lender's books to grow and grow until they can have little hope of paying it off, the wily banker knowing it to be his interest not to press for ready payment, but to encourage his debtor deeper into the toils, until he has become completely at his mercy. When this is so with men having such advantages as the Jats of Palwal, what must it be with the Meos? Their condition is rapidly becoming hopeless. They live so literally from hand to mouth, carelessly contracting debt for marriage, funerals, and petty luxuries even in average years, that

¹ pp. 102-103.

when a year of drought comes they are thrown on the money-lender, who can make with them what terms he likes."

The general causes of debt were general extravagance which led to debt even in ordinary years; marriages and funerals, the expenditure on which was enormously disproportionate to the income; drought, which found the agriculturist without any surplus saved and killed his cattle and compelled to borrow to pay the revenue and support his family; neglect to pay the interest on debts already contracted, which rapidly multiplied, themselves.

During the assessment an attempt was made to ascertain in the area for the amount of unsecured debt due from the landowners. The estimate was only sought one but probably indicates family accurately the amount of unsecured debt due at the time it was made. In Palwal tahsil total amount of unsecured debt was Rs. 7,10,657.

Mortgages and sales of land

At the end of June, 1877, over six per cent of the cultivated area of the then Gurgaon district had been mortgaged in 20,000 separate transactions, to agriculturists and non-agriculturists in the proportion of 3 to 2 for a sum equal to $1\frac{1}{2}$ year's revenue. During the same period of eighteen months ending December 1878, 1.14 per cent of the cultivated area of the then Gurgaon district was sold at Rs. 14 per acre or 11 year's revenue of the land sold. The average area mortgaged in one transaction was seven acre, more than double the former average, and the proportion of mortgages of agriculturists and non-agriculturists respectively was 2 to 5, instead of the former proportion of 3 to 2.

The causes of enormous increase in the transfer of land are given in the para given below:—

"The cause of this enormous increase in the transfers of land, by which $5\frac{1}{2}$ per cent of the total cultivated area of the district changed hands in the course of a year and a half, is not far to seek. The almost entire failure of the rains of 1877 left the district destitute of the *Kharif* harvest and unable, from want of cattle and seed and seasonable moisture, to cultivate the ordinary extent of *Rabi*. Many of the people living from hand to mouth, especially the improvident Meos, were driven at once to the money-lender even before the first instalment of the new assessment became due; and as a through investigation into the rights of proprietors of land was just being completed, and the assessment for the next thirty years had been announced, it was possible to estimate with some certainty the value of land, and the money-lenders seem to have seized the opportunity to throw on the land

by way of mortgage not only the value of the cash and grain they then advanced but all outstanding debts, or to have cleared them all off by purchasing the land outright; so that the sum representing the new burden of the land does not represent new debt, but includes much debt that formerly appeared only in the books of the money-lenders."

The proportions of land mortgaged varied greatly in the different tahsils. In Palwal tahsil, which up to 1877 was lightly assessed and which suffered less from the drought of 1877-78 than other tahsils, 5 per cent had been mortgaged upto June 1877 for $1\frac{1}{2}$ year's revenue of the tahsil. During the following year and a half 2 per cent more was mortgaged for a fifth of a year's revenue only and very little land was sold. So that here at the end of 1878, only 7 per cent of the cultivated area was burdened with $1\frac{1}{2}$ year's revenue.

The mortgage went on steadily increasing during the decades ending 1889-90 and 1899-1900 in spite of the fact that these periods continued nearly as many good years as bad. In those days, there were two main classes of money-lenders i.e. agriculturists and non-agriculturists. The latter comprised *saraf*, *baniyas* and *Sahukars*. The *Baniyas* and *Sahukars* gave loans to zamindars mostly against lands on the basis of mortgage. As a result the lands began to be alienated from the zamindars to non-agriculturist-class. Then the Government seized the opportunity and land Alienation Acts were passed in order to restrict the transfer of land. For examples, the Punjab Land Alienation Act (1900) prohibited non-agricultural classes from buying land from agriculturists or taking land on mortgage for more than 20 years.

Though the passage of the Punjab Alienation of Land Act, 1900 debarred *Sahukars* from keeping possession of the land for more than 20 years, the agriculturist money-lenders who were as exacting as avarious as the *Sahukars*. in no way replaced the non-agriculturists. The *Sahukar* with the inability to deprive his debtor of his property became more pliant and less exacting than his agriculturist counterpart. He got a promissory note executed for the amount advanced out of which one year's interest was deducted in advance.

After 1902-03, inspite of bad seasons mortgage decreased, owing as previously stated, to the effect of the Land Alienation Act. In 1910, consideration money paid for the sales and mortgages was Rs. 5,37,084 and Rs. 20,44,532, respectively in Palwal tahsil and the amount of Rs. 7,10,657 was as a unsecured debt. The total sum of ascertained indebtedness of owners and occupancy tenants to creditors other than Government was Rs. 32,92,223.

It can not of course be claimed that the recorded consideration money of sales and mortgages accurately represents the value of the land transferred, but the figures are sufficiently accurate to give a rough idea of the total indebtedness of landowners and occupancy tenants to creditors other than Government. The *zamindars* of Palwal tahsil were least burdened with debt.

The rates of interest charged on ordinary unsecured loans to the agriculturists were 12, 24 and 37½ per cent per annum. Only borrowers of good status could secure loans at the lowest rate. The rate, when the loan was secured by pawned jewelry, was from 6 to 20 per cent; special terms were fixed for the loans for short periods, such as loan for seeds, purchase of bullocks or for payment of land revenue. Money-lenders in 1910 refused to accept interest for a short period than six months and compound interest were usually charged after six months on debts.

The Government adopted certain measures from time to time, to deal with the problem of indebtedness. The Usurious Loans Act consolidated and amended in 1918, tried to determine the legal maximum amount of interest recoverable. The Royal Commission on Agriculture reported in 1928 and recommended regulation of money lending, and some of the Provincial Banking Enquiry Committees recommended licensing of money lenders.

The Ballabgarh tahsil remained a part of Delhi district upto 1912. So money lending history of this area is summarized separately here.

The Settlement Officers wrote as follows in 1879:—

“The causes of indebtedness are not generally obscure; in order of importance they may generally be put as under:—

- (1) Expenses of marriages and funerals;
- (ii) Vicissitudes of season, as regards crops;
- (iii) Ill-luck with cattle and personal illness;
- (iv) Severity of Government revenues.

“The Government demand is inelastic and we have failed to teach the people, as yet to prevent the strain in bad years by fore-thought and thrift in good seasons. But the adjustment is generally accomplished though in a clumsy and costly manner. The money lender gives help in bad seasons and is repaid in good; the great cost is found in his exorbitant interest. If we push this further, we find that the “middle man” class is numerous; that it is favoured by superior intelligence and social

custom. And this brings us to what perhaps is not the greatest cause of indebtedness, strictly speaking, but the greatest cause of increase of indebtedness, viz the power of *bania* and money-lender over the *zamindars*."

The general condition thereof the proprietor might be described as moderately prosperous; there was little margin for him to fall back on in bad times, and his style of living was somewhat low; but the ordinary years and with ordinary expenses, he generally made his way. A marriage, a funeral or bad luck with his cattle brought him into difficulties but these too he might have extricated himself from in many cases. There was no reason to believe that legal fees were in a few instances the cause of embarrassment, if not of ruin.

The *Delhi District Gazetteer* 1912 contains the main causes of indebtedness. The details are as follows:—

"The debts can be attributed to the three main causes: (i) expenses incurred at weddings and funerals, (ii) bad harvests involving shortage of food for man and beast and consequent reduction in the number of cattle, (iii) litigation. To what extent the three causes, capitulated are severally responsible must be largely a matter of speculation, but it is clear that only the second is unavoidable, though it can be minimised by improvements and executive action in the direction of granting facilities for the import of grain and fodder. There is an apparent tendency to reduce unnecessary expenses at domestic festivals, but litigation must, until education has become far more general, be a potent factor in keeping the debt figures at high levels. A small debt for necessities is temporarily met by a deed which proves unconscionable; the parties drift into courts and sacred law of contract is up held; the interested advice is given till the debtor has tried his luck in the highest court, the downfall is complete."

The standard rate of interest in Faridabad and Ballabgarh areas was Rs. 2 per cent per mensum or 24 per cent per year. If a *zamindar* is in good circumstances, he would obtain money on better terms; amongst themselves *zamindars* lent money at much lower rates, for example 12 per cent and since the Jats especially lent money freely if they had it, probably 18 per cent was a fair average. A somewhat peculiar locally known as *rahti* existed by which petty sums of cash were obtainable.

The passage of Land Alienation Act affected the money lending to some extent. The *zamindars* began to sell and mortgage their land to agriculturist-money lenders only just as much land as they did before the enactment. They obtained better prices showing that they had considerable resources of their own. In former days the money-lender used to be the alienee almost

as a matter of course, but in the richer tracts they were plenty of well-to-do Jats and other agriculturists who advanced money freely. The Act hit very hard the Bohras who were always anxious to become land owners.

As per survey of 1926-27, 41 per cent of the borrowings were against the land and remaining 59 per cent were unsecured in the then Gurgaon district. Of the latter, 35 per cent were for professional use and 65 per cent for personal requirements. About 40 per cent of the money was borrowed from agriculturist-money-lenders, 51 per cent from non-agriculturist money-lenders and 9 per cent from institutional credit agencies.

In 1930, the per centage of credit from Government and the institutional credit agencies were the highest in the state due to rural uplift schemes in the area which succeeded to some extent in reducing the emphasis on expenditure for personal and social reasons. The numerous needs necessitating the incurring debts were listed below :

1. Payment of landleases and land revenue
2. Taking land on mortgage
3. Purchase of land
4. Redemption of land
5. Purchase of seed, cattle fodder and setting-up persian wheel
6. Building
7. Litigation
8. Living expenses
9. Miscellaneous

Other factors like general ignorance of the people, their improvidence, the habit of pestering particularly by women who often gave an equal weight of grain for worthless trinkets and social and religious ceremonies were also responsible for rural indebtedness.

The *zamindars* usually disposed of whatever little surplus produce there was to the money lending classes residing in a few large villages of Ballabgarh tahsil and running accounts were kept with them. Dhauj, Fatehpur Biloch, Tigaon and Mohana were some important marts set-up by money-lenders. It was only when harvests were plentiful that bigger markets attracted the produce from distant areas.

The following statement compares the sale (in percentages of cultivated

area) in each circle of Ballabgarh tahsil:—

Circle	Sold since settlement		
	To agri- culturists	To non- agricul- turists	Total
1	2	3	4
<i>Khadar</i>			
<i>Bangar</i>	16.2	1.5	17.7
<i>Dabar</i>	18.6	3.4	22.0
	7.3	0.2	7.5

The large percentage of sale in the *Khadar* circle was due to the precarious nature of the cultivation and the weakness and property of proprietary body particularly Rajputs and Tagas who were almost at the end of their resources. Besides, 34.2 per cent of the total area sold was by the Government, Ingram Estate and other non-agriculturists. In the *Bangar* also more than half the sold land was alienated by Government and non-agriculturists-Mahajam, Kaisths and Khatris. The non-agriculturists classes were gradually divesting themselves of the agricultural land as it no longer "lays the golden egg" and they were probably able to invest their capital into more productive investments. The tenants with their growing consciousness refused to be rack-rented and bullied even when debts were due from them, for the Agrarian Acts had taken the string out of the hitherto dreaded threats of being drawn into ruinous litigation. From among agricultural tribes in the *Bangar* Rajputs, Brahmans and Bilochs had lost their land to other-tribes in 1938 and Jats had gained about 4,000 acres most from Government, Mahajans and Brahmans. In the *Dabar* circle, the transfers by sale were not serious. Jats, Rajputs and Chamars had acquired land from Government and Gujars from Syeds and Rajputs.

The position of percentage with regard to mortgaged lands in Ballabgarh tahsil is as under:—

Circle	Mortgaged		
	To agricul- turists	To others	Total
1	2	3	4
<i>Khadar</i>			
<i>Bangar</i>	24.8	4.4	20.2
<i>Dabar</i>	21.1	3.9	25.0
<i>Tahsil</i>	33.2	3.8	37.0
	25.3	4.0	29.3

Mortgages were serious in the *Dabar* circle where holdings were small and the success of cropping was dependent on very heavy rains. Besides, some of the tribes, with small holdings, like Meos who owned about one-fourth of land in this circle and Gujars who owned a little more were in the habit of mortgaging land freely. In the *Khadar* also the holdings were small but the land being inferior, credit could not easily be obtained by mortgaging land and sales were very frequent. The mortgages were generally among the same tribes except in *Khadar* where the improvident Rajputs had not been able upto 1942 to extricate themselves from the grip of Mahajans.

The details regarding the mortgage and redemptions of the cultivated area in acres (Ballabgarh tahsil) during 1912-1913 to 1936-37 are as follows :—

Year	Cultivated land in acres	
	Mortgages	Redemptions
1	2	3
1912-13 to 1916-17	11,852	9,750
1917-18 to 1921-22	9,625	10,744
1922-23 to 1926-27	11,927	11,898
1927-28 to 1931-32	9,660	4,966
1932-33 to 1936-37	7,274	3,512

In 1921, there was considerable expansion of credit. The general economic depression that followed about 1927 was accompanied in this area by a series of bad harvests; debts, both principal and interest, began to accumulate and the creditors had to be content with whatever they could lay hold on in satisfaction of the sums due to them. This explains the high land value recorded between 1927-28 to 1936-37.

The total ascertainable debt of the Ballabgarh tahsil was:—

Debts	Rs.
Secured by mortgages of proprietary or occupancy rights	40,27,823
Due to co-operative societies upto 31st July, 1941	2,11,533
Due to Govt. on account of <i>taccavi</i> loans upto 31st March, 1942	2,88,027
Total :	45,22,383

No accurate estimates of the floating indebtedness of the tahsil but inquiries from village to village done by the then Settlement Officer elicited the following information :—

	Rs.
Due to agriculturist money-lenders	2,75,006
Due to non-agriculturist money-lenders	8,08,108

This was probably an under-estimate as in many villages the zamindars had no intention of paying their debts and they were, therefore, reluctant to disclose them. The debt worked out in those days was :—

	Total debt	Excluding floating debt
	Rs.	Rs.
Per head of population	57	46
Per cultivated acre	48	39

The proximity of Delhi should have given the people of this tahsil considerable miscellaneous resources of income but traditional habits and conservatism combined with poverty and lack of co-operative spirit were great obstacles in the way of their initiating new ventures. Profitable things like dairy farming, vegetables gardening and poultry keeping had never been undertaken on an organized scale. Except for about half a dozen Gujar villages in the north who lived on resources other than agriculture, the rest of the tahsil had no miscellaneous income.

Sale and mortgage of land in Palwal tahsil during last settlement (1942)

The Jats predominated in the *Bangar* circle of which they owned almost half the cultivated area during the period under reference. They were not as vigorous and hardworking as the Ballabgarh Jats, but still ranked as first class cultivators in the tahsil. The introduction of canal irrigation made them lazy ; and malaria which was scourge of the country side after heavy rain sapped their vitality. Brahmans who were an important tribe in both the circles (*Bangar* and *Khadar*) were nearly all of the Gaur class and were fairly good cultivators. The Gujars and Meos as cultivators were more efficient than Brahmans. The Rajputs who owned the largest area in the *Khadar* were very poor cultivators, mostly in debt and in very poor circumstances. They lost some 400 acres in the *Bangar* circle to Jats and Gujars, but they acquired by purchase a little over 1,500 acres that belonged at time to the Ingram Estate. The Sayyids, Bilochs and Pathans did little cultivation themselves and were in a miserable plight, particularly

as it was difficult for them to find employment in subordinate services, a factor on which they formerly depended more than on land, for livelihood.

Ten villages in the *Bangar* circle were the property of the Ingram Estate which after the death of Mrs. Ingram Wati owned by a trust created by her will. The estate was looked after by a European Manager who lived in Tappa Bilochpur and was extremely well managed and highly developed. On whole village and parts of three other villages were also owned in the *Khadar* but at the land yield little income, it was disposed of by sale mostly to the Rajput tenants during the life time of Mrs. Ingram. The tenants in the estate were Gujars and Meos.

Mallahs known as Dhinwars owned land in several villages but mostly worked as tenants. Apart from the members of the proprietary body, Chamars and Gadrias also cultivated land in the *Bangar* circle as tenants.

In the *Bangar* circle sales were about the same as during the period of the previous settlement and were insignificant. Nearly three-fourths of the acquisition by non-agriculturists was at the expense of Sayyids, Biloches, Sheikh Siddiqis and Sheikh Osmanis who being indifferent cultivators could not get much out of the land and lived beyond their means. Except those, Rajputs, Tagors (Muslims) and Mughals who alienated land to other tribes, mostly Jats, the sales were generally among the tribes themselves. In the then Palwal tahsil, Meos were the only Muslim tribe who extended their possessions by purchase from the Jats, Biloches and Sheikh Osmanis and in the *Khadar* from Rajputs.

The large percentage of sales in the *Khadar* was illustrative of the highly unstable agricultural conditions existing there. More than half the sales were by non-resident owners—Ingram Estate and Mahajans—who found the tract too precarious for land to be a paying proposition. The rest of the sales were mostly by Rajputs and Mallahs due to sheer poverty.

In the *Bangar* circle, the area under mortgage increased from 17.2 per cent of cultivation at settlement to 27.7 per cent and alarming increase for a tract of which more than 42 per cent of the cultivated area was protected by canal or well irrigation. More than 58 per cent of the mortgages were by Jats many of whose villages in the canal area acquired a reputation for extravagance.

The mortgage area in *Khadar* circle had not increased to much extend since settlement and was small as compared with the area sold ; this was due to the fact that for outsiders the land was worthless without tenants to cultivate it and the residents already had more land then they, with limited resources, could manage. More than half the mortgages were by Rajputs and most of the rest were by Biloches and Mallahs.

The following table contains the details regarding the sales and mortgages of land during the period from 1909-10 to 1940-41 :—

Period	Sales		Mortgages	
	Area acres	Price per cultivated area (Rs.)	Area acres	Mortgage Monthly per cultivated area (Rs.)
1909-10—1911-12	1,031	61	6,562	65
1912-13—1916-17	2,330	89	11,751	77
1917-18—1921-22	3,268	101	11,850	87
1922-23—1926-27	2,364	149	12,724	122
1927-28—1931-32	1,990	211	11,929	121
1932-33—1936-37	2,107	125	8,871	85
1937-38—1940-41	1,905	129	6,202	80

A note-worthy feature was that transfers by sales were heaviest during the three quinquenniums—1912-13 to 1926-27, a period of good harvests and rising prices. During such period that the thrifty and hardworking cultivators got an opportunity to add to his holding at the expense of his lazy and improvident neighbour.

Efforts were made at village inspections to collect statistics of unsecured debts which amounted to Rs. 7,81,020 in Palwal tahsil. The debts of the tahsil during 1941-42 were as follows :—

	Rs.
(i) Secured mortgage if proprietary and occupancy rights	58,51,216
(ii) Due to co-operative societies up to 31st July, 1941	5,50,355
(iii) Due to Government on account of <i>taccavi</i> loans upto 31st March, 1942	1,54,208
Unsecured debts	
(i) Due to agriculturists	1,35,808
(ii) Due to non-agriculturists	5,95,212
Total :	72,86,799

	Total debts	Excluding ¹ floating debts
Incidence worked out	Rs.	Rs.
Per head population	46	41
Per cultivated area	39	35

Money-lending in Urban areas

By the end of 19th century, there were no big cities in this district. The people of these towns (Ballabgarh and Palwal) were dependent on the money-lenders who charged exorbitant rates of interest.

In 1938, the usual interest charged by the money-lenders was 2 per cent per month; if ornaments were mortgaged the interest was reduced to 1.5 per cent per month. Even so the amount advanced was to the extent of half the value of the article. In the case of secured loans, no interest was charged if the mortgage was with possession and more than compensated the lenders for their apparent loss of interest. In the case of mortgage without possession, the interest charged was from 12 per cent to 24 per cent per annum.

Efforts made by the Govt. to handle this problem

Government made vigorous efforts to tackle the problem of indebtedness. The business of money-lenders was regulated by the Punjab Registration of Money-Lenders Act, 1938, and they were required to register themselves with the authorities for carrying on the business of money-lending. The Haryana Relief of Agricultural Indebtedness Act, 1989 also handles/tackles the problem of indebtedness to a greater extent.

Despite the fact, private money-lender is still the most important source of loans for the rural population. In cities and towns, committee system is prevalent. Each member has to contribute equal share and the highest bidder gets the amount. The profit in the process is shared by all. Even the small traders arrange this committee system and fulfil their social and economic needs.

GENERAL CREDIT FACILITIES

The land improvements for which loans were granted took the shape of wells. Advances were not made with any regularity but made with profusion after years of drought. During 1901-2, the Ballabgarh tahsil received

1. *Assessment Report Gurgaon District (Palwal Tehsil)*, 1942, P. 17.

loans to the extent of Rs. 37,510 under the Agriculturists Loans Act, *zamindars* could obtain advances for the purchase of seed or plough cattle. By 1912, Ballabgarh tahsil had no agricultural banks and societies for loan purpose.

Prior to Independence, the indigenous banking accounted for most of the borrowings. The credit policy of the Government had been re-oriented to provide maximum financial aid to the farmers.

Besides giving credit facilities in the form of taccavi loans and loans under the State Aid to Industries Act, 1935, Government is promoting co-operative credit societies to discharge the responsibilities of development programmes particularly in the agricultural sector. Govt. waived a large amount of loan under the loan-waiving scheme. Thus the farmers benefited very much.

In addition to the co-operative agencies, Haryana Village and Khadi Board advances loans and credit facilities in rural areas for the promotion of small industries. Haryana Village and Khadi Board advanced a sum of Rs. 5,58,285 as on March 31, 1991.

The loans are also advanced for the promotion of industry by the Haryana Financial Corporation, which granted in the form of loan a sum of Rs. 52 lakhs as on March 31, 1991 in the district.

Joint Stock Banks

Since the nationalisation of banks (July 19, 1969), banks have been playing an important role in ameliorating the economic conditions of the district. The various banks are operating their branches in the district. The details given below cover the main branches in the district :—

Banks	Places
1. State Bank of India	Palwal, Faridabad, Ballabgarh, Hathin, Hassanpur
2. Syndicate Bank	Faridabad, Ballabgarh, Hodal, Palwal, Hassanpur
3. Punjab National Bank	Ballabgarh, Faridabad, Hodal, Palwal, Mewla Mahrajpur, Hassanpur
4. State Bank of Patiala	Hodal Mandi, Palwal
5. The Lakhsmi Commercial Bank Ltd.	Hassanpur

During seventies, the commercial banks re-oriented their lending policies and procedures from security-oriented to production-oriented, class banking to mass banking and credit worthiness to repaying capacity. It was a great step towards redressing the pressure of money-lenders in rural areas.

During 1990-91, the commercial banks advanced loans¹ in the rural sector and industrial sector in the district. Besides it, the Government extended other subsidies to the entrepreneurs in the district.

CO-OPERATIVE CREDIT

The co-operative movement was started with the enactment of the Co-operative Societies Act, 1907 and the subsequent Act of 1912. It had the main object of providing relief to the rural peasantry from heavy burden of indebtedness. It gained momentum with the subsequent Acts of 1954 and 1961. The co-operative institutions competed with the commercial banks in mobilising the savings of the people and also provided credit, especially to the farming sector. These institutions met the credit requirements of small farmers under the Small Farmers' Development Agency Programme.

In 1991, there were 157 agricultural credit societies and 56 non-agricultural credit societies in the district. The former included agricultural multi-purpose societies and agricultural service societies with the membership of 83,273. These provide facilities for short and medium term credit for fertilizers, improved seeds, better implements, marketing and storage and extension of advanced agricultural techniques.

The non-agricultural credit societies comprise urban banks, employees credit societies and other catering to the credit requirements of non-cultivating section of the population in urban and rural areas. Their membership stood at 12,813 at the end of June, 1991.

The financial position of these societies along with short and medium term loans advanced during 1991 was as follows :—

Particulars	(Rs. in Lakhs)	
	As on 30-6-1991	
	Agricultural credit societies	Non-agricultural credit societies
Working capital	1,188.79	171.21
Deposits	17.68	108.70
Owned funds	211.95	56.19
Loans advanced during the year (1990-91)	706.79	171.*09
Share capital	159.96	48.96

1. The details are in the Chapter of Industries.

Central Co-operative Banks.—In the undivided Gurgaon district, the branches of Central Co-operative Bank, Gurgaon introduced in the Faridabad area were : Ballabgarh in 1954 ; Palwal in 1960; Hathin and Faridabad in 1969 and Hodel in 1971. In June, 1991, there was only one central co-operative bank in the district, which was known as Faridabad Central Co-operative Bank Ltd. There were 18 branches of this bank.

The co-operative central banks have three sources of funds, own share capital and reserves, deposits from the public and co-operative societies and loans from the State Co-operative Bank. The main task of the banks are to lend village primary societies and mobilise the deposits. Banks issue short and medium term loans and also provide financial assistance to primary societies for seasonal agricultural operation and marketing of crops.

The position of central co-operative banks in Faridabad district is as follows :—

Particulars	Position as on 30th June, 1991
	(Rs. in lakhs)
Share capital	146.20
Working capital	2063.54
Deposits	1607.80
Loans Advanced	
(i) Short Term	1132.05
(ii) Medium Term	153.37

Primary Land Development Banks.— land development banks (previously known as land mortgage banks) were set up for the purpose of providing long term credit to farmers. The land development banks were organized at Palwal and Ballabgarh in 1968. These banks obtain their funds from share capital, reserves, deposits and issue of bonds. These banks advance loans to the farmers for the promotion of land.

Progress of primary land development banking as on March 31, 1991 was as follows:—

Details

(i) Number	5
(ii) Membership	26,095
(iii) Working capital (Rs. in lakhs)	2587.64
(iv) Loan advanced (Rs. in lakhs)	342.29

INSURANCE

Prior to 1956, there were agencies of various private insurance companies transacting life insurance business besides relating to fire, marine and miscellaneous classes of insurance. With the nationalisation of life insurance in 1956, only general insurance remained in the private sector. The Life Insurance Corporation (L. I. C.) also entered the field of general insurance in 1964. The general insurance too was nationalised in 1971. Subsequently, in 1975 general insurance business was separated from life insurance and General Insurance Corporation of India was formed.

L. I. C. took up life business in 1956, whereas its sub-office was opened in 1962 at Palwal. The Palwal sub-office was shifted to Faridabad in 1964 and was upgraded as branch office.

Life Insurance.—Life insurance schemes have succeeded in mobilizing the savings of the people. In 1990-91, a business mobilized of Rs. 480.68 crores with 1,03,399 policy-holders. There were 233 development officers and 6,609 agents in the district.

General Insurance.—After the separation from Life Insurance, General Insurance Corporation of India was established. The corporation carries its business in the district through its subsidiary companies; Oriental Fire and General Insurance Co. Ltd., the New India Assurance Co. Ltd., the National Insurance Co. Ltd. and the United India Fire and General Insurance Co. Ltd.

Now a days, the insurance has reached every domain of life. It is ranging from fire to vehicles. All vehicles are insured to a great extent.

SMALL SAVINGS

National Savings offer a complete plan of savings to all types of investors and savers, regular assets, investment of accumulative savings for earning annual interest or compound rate of interest, alongwith capital, on maturity encashment, retirement, etc.

Post Office Savings Banks, cumulative time deposits, recurring deposits (1—year, 2—year, 3—year, 5—year time deposit), 7—year National Savings Certificates, 15—year Public Provident Fund, 6—year National Savings Certificates, 10—year Social Security Certificate, etc. constitute Small Savings Schemes. These schemes were introduced to instil the savings habit among people and to mobilise resources for a developing economy and at the same time these give them an opportunity to build capital assets out of their savings. In addition to other functions, the small savings in rural and urban areas are also mobilised through the post offices.

The Deputy Commissioner, Superintendent of Post Offices and District Savings Officer are jointly controlling authorities of savings schemes in the district.

For the promotion of small savings, the National Saving Organisation has posted a District Saving Officer at Faridabad. The other schemes of small savings are discussed below:—

School Savings Bank Scheme (Sanchayika).—The scheme has been prevailing in the district for many years. Almost all schools are covered under this scheme. Under this scheme all the students are encouraged to be enrolled to save something towards small savings.

Pay-Roll Savings Groups.—This scheme is a boon for the fixed income-group and salaried persons. It is popular among the workers in the organised sector. District saving officer persuades employers and employees in the public and private sectors to start pay roll savings group in their establishments. Under this scheme, the regular deduction is made from the salary of the employee and is further credited to recurring deposit/cumulative time deposit accounts at the post office.

This scheme develops the habit of savings and fulfils the needs of short time necessity. By contributing small amount under this scheme, they are paid back a handsome and attractive amount.

Mahila Pradhan Kshetrya Bachat Yojana.—The formerly known as Area Savings Leader Authorised Agency was introduced on 1st April, 1972. Under this scheme only women workers were authorised within a specified area for canvassing the deposits under C. T. D. /R. D. accounts. Such workers earn commission at the rate of 4 per cent of the deposits mobilised by them.

Standardised Agency system.—Individual and registered organisations are appointed as authorised agents under the Standardised Agency System for National Savings Schemes such as time deposits accounts and National Savings Certificates in the post offices. They contact the investors, convince

them for deposits, collect money from them and deposit the collected amount in the post office. They help the investors at the time of withdrawal also. They are paid commission on the business booked through them.

Extra Departmental Branch Post Masters.— Till the beginning of 1973-74, some of them were authorised as agents under agency system but afterward they were allowed to conduct small savings in the rural areas and help the villagers in mobilising the savings. They are paid commission at the rate of 2 per cent for long term security and 1 per cent on the net savings bank deposits at the end of March.

The scheme of small savings has become very popular among the masses. During 1991 net receipt of small savings was 1,60,701 thousands. The details of other schemes operating under small savings are as under :—

Name of the scheme	Net receipt (Rs. in thousand)
1	2
(i) Encashment of old certificates	(—)71,524
(ii) Post office savings bank deposits	(—)3,225
(iii) Cumulative time deposits	(—)1,582
(iv) <i>Kisan Vikas Patra</i>	61,830
(v) National Small Savings accounts	51,874
(vi) Monthly income scheme	7,032
(vii) 6—year national savings certificate (viii issue)	52,077
(viii) Time deposit (1—year)	2,088
(ix) Time deposit (2—year)	104
(x) time deposit (3—year)	708
(xi) Time deposit (5—year)	15,904
(xii) 5—year recurring deposits	6,740
(xiii) GPF fixed deposits	19,887
(xiv) National Development Bonds/ <i>Indira Vikas Patra</i>	18,790

CURRENCY AND COINAGE

During the early period of Mughal rule, gold *mohars* and silver rupees were both current in Northern India. The rise of numerous independent

kingdoms on the break-up of the Mughal Empire led to the introduction of a multiplicity of coins, as the issue of coins was regarded as one of the insignia of sovereignty. It has been estimated that as many as 994 different types of coins, of both gold and silver, were current in India.

Its disadvantages for purpose of trade and commerce were obvious, and the East India Company tried to solve the difficulty by issuing both gold and silver coins with a definite legal ratio, weight and fineness. But owing to fluctuations in the value of the two metals, it proved exceedingly difficult to maintain legal ratio between the two types of coins. Gradually the gold *mohar* being undervalued, disappeared.

In 1841, an attempt was made to reintroduce gold coins, and gold *mohars* were accepted for public payments at the rate of fifteen rupees to a *mohar*. But price of gold fell owing to the discoveries of the metal in Australia and California in 1848-1849. Lord Dalhousie definitely abandoned the experiment of 1841. Gold was thus given up as a medium of exchange. But this led to the scarcity of money, and trade suffered. Several proposals were made to introduce a gold currency in India, instead of silver, but no effect was given to them till day.

During 1908, coinage included 1 rupee (silver) 8 anna piece; 4—anna piece, 1 anna and paise. The change in the currency and coinage was affected during the Independent India.

Upto 1957, the coinage was as under:—

- (i) Silver rupee, $\frac{1}{2}$ — rupee, $\frac{1}{4}$ — rupee and $\frac{1}{8}$ rupee;
- (ii) Quaternary alloy rupee, $\frac{1}{2}$ rupee and $\frac{1}{4}$ rupee;
- (iii) Nickel rupee, $\frac{1}{2}$ rupee and $\frac{1}{4}$ rupee;
- (iv) Cupronickel 8 anna, 4 anna, 2 anna, 1 anna and $\frac{1}{2}$ anna;
- (v) Nickel Brass 2 anna, 1 anna and $\frac{1}{2}$ anna;
- (vi) Copper double pice, single pice half pice and pie; and
- (vii) Bronzes single pice, half pice and pie.

An anna was equal to 4 pice or 12 pies and a pice was equal to 3 pies.

From April 1, 1957, the decimal system of coinage was introduced in the country. This system has made the calculation easy and simple. Now a rupee consists of 100 paise with different coins of the denomination of 5,10,20,25,50 paise. Now currency notes are issued in the denomination of of rupees 1, 2, 5, 10, 20, 50, 100 and 500.

TRADE AND COMMERCE

The chief marts were Palwal and Hodal. The opening of the Agra-

BANKING, TRADE AND COMMERCE

Delhi Chord Railway and the establishment of cotton mills at these towns increased the trade of this area. They were, however, rather overshadowed by much larger town of Kosi which drew much of the trade.¹

There were cotton-ginning factories both at Palwal and Hodal which bought cotton direct from the cultivators and both these towns being on the railway made excellent marts for the disposal of surplus produce. Wheat, rice, salt and *gur* were the chief necessities imported, while cotton, cotton-seed, rape, gram, tobacco, *ghee* and saltpetre were the chief exports in Palwal and Hodal areas in 1908. The cotton went to the mills at Palwal and Hodal and after being cleaned and pressed was sent down to Bombay in 1910. The oil seeds were exported to Bombay and gram to Delhi.

The chief markets were Ballabgarh and Faridabad but a good deal of the *Khadar* produce went across the river to Dankaur in the Bulandshahr district of the then United Provinces. Some villages in the north (Ballabgarh tahsil) dealt with markets in the Delhi Province and those in south with Palwal. *Zamindars* usually disposed of whatever little surplus produce there to the money-lending classes residing in a few large villages and running accounts were kept with them. Dauj, Fatehpur Biloch, Tigaon and Moari were some of the important marts set-up by money lenders in 1942. It was only when harvests were plentiful that the bigger markets attracted the produce from distant areas.

As per *Assessment Report of Ballabgarh Tahsil*, 1942 goats were kept by Gujars and Meos in large number along the hill side in the *Dabar*, mostly for the Delhi markets.

The chief internal markets were Hodal, Palwal and Hassanpur. There were cotton-ginning factories at Hodal and Palwal which attracted a large portion of the surplus produce of the tahsil. The external markets were:

- (i) Mathura district (United Provinces) —Kosi
- (ii) Bulandshahr district (United Province)—Jewar, Raghupura and Dankor
- (iii) Ballabgarh tahsil—Ballabgarh
- (iv) Gurgaon, tahsil—Sohna.

A comment regarding the trade in those days (1942) is as follows :—

“Jewar, Raghupura and Dankor take the trade of the *Khadar* area to the north-east; Sohnna and Ballabgarh only served a few villages on the border.

1. *Assessment Report of the Palwal Tehsil*, 1907-8, P. 12.

Kosi is a big market and takes all the trade of the southern portion of the tahsil at the expense of Hodal of which the traders have, unfortunately for the district, acquired a reputation for petty-mindedness and unfair dealings."

The cultivation of *mehndi* or Rewna (*lawsenia inermis*) in the northern *Bangar* tract of the then Ballabgarh tahsil acquired an importance and reputation deserves special notice. In 1942, the development of *mehndi* cultivation was largely due to the enterprise of the trading community of Faridabad who financed the cultivation in the beginning and was shrewd enough to secure permanent leases. Faridabad had then become the centre of the *mehndi* trade with a number of up-to-date grinding mills. The leaves were ground into fine dust and were generally adulterated with sand and mustard oil. For a number of years, Turkey and Arab countries were the chief importers but for years preceding the Second World War, there was a good demand for the produce from European countries also for use in the manufacture of vegetable dyes, scents, etc. After the last Great War, the price of *mehndi* rose up to Rs. 24 per *maund* but by 1942 owing to limited demand and extended cultivation, the price varied between Rs. 4 to 8 per *maund*.

As already mentioned, the *mehndi* crop is abundantly grown in the areas of Faridabad and around village Hassanpur in Hodal block. Its cultivation increased with the provision of irrigation facilities and this led to the establishment of more and more *mehndi* grinding mills. A portion of the crop is ground and despatched to various places in the country and to Turkey, Syria, Iraq and Afghanistan where as in India, it is used as hair dye and for colouring the hands and feet. A portion of the crop in the form of dry leaves is exported to France and U. S. A. for extraction of scent and manufacture of dyes.

There is ample scope for installation of a *mehndi* crushing and extraction plant on medium scale basis at Faridabad.

Potato locally known as *alu* is grown through out the district. Its cultivation on large scale was taken up after the initiation of the N. E. S. programme in Faridabad after Independence. It is note worthy that the potato (Tubers) for use as seed, are now exported to Patna (Bihar State) from where this district used to import this commodity in the past.

The following table gives town-wise details about the import and export of three most important commodities: —

Town	Commodities imported	Commodities exported
Ballabgarh	Rice Cotton Cement	Wheat Oil Mustard seed

1	2	3
Faridabad Old	Foodgrains Chemicals <i>Khandsari</i>	—
Faridabad Township	Leather Cotton	Leaf spring Bicycle parts Automatic parts
Hodal	Timber Stone Ghi (vanaspati)	Pulses wheat Barley
Palwal	Sugar Cloth General merchandise	Mustard oil Red chilly Vegetables

With the increase in transport and communication facilities in the district, Ballabgarh and Faridabad towns have assumed special importance as a large number of big industries based on agriculture, have been set-up there. The various items of export, the units manufacturing these and the countries to which these items are exported during 1990-91 are listed below:

Items of export	Name of manufacturing units	Countries to which exported
1	2	3
	(At Ballabgarh)	
Tyres and tubes	Goodyear India Ltd.	Egypt, Turkey, Iran, Iraq, Singapore, Ethiopia
	(At Faridabad)	
Flasks	Hindustan Vacuum Glass Ltd.	Middle-east Countries, Ceylon, Turkey
Industrial air conditioning and refrigeration equipment	Frick India Ltd.	U. A. R., Kuwait
Tractor and scooter parts	1. Escorts Ltd. 2. Escorts Tractor Ltd. 3. Eicher Tractor (India) Ltd.	Nepal

1	2	3
Carbon paper and ribbons	Bharat Carbon and Ribbon Mfg. Co. Ltd.	
Refrigeration equipment and compressors	1. Kelvinator of India Ltd. 2. K. G. Khosla & Co. (P) Ltd.	Australia, Burma, Afghanistan
Hydraulic brake repair kits and fuel oil kits	Devis and White India Ltd.	U. A. R., Iran
Spring leaves	1. Motoren Industries 2. Kobe Suspension	Afghanistan, Kenya
Gaskets	Payen Talbros (p) Ltd.	Middle-East Countries, Turkey, Lebanon, Sudan, Phillipine
Oil -seals and brake-hoses	Super Seals (India) Pvt. Ltd.	Middle-East countries, Turkey, Lebanon Sudan, Phillipine
Hand-tools	Gedore Tools (India) Pvt. Ltd.	Throughout the World
Auto electrical parts	Prostolite of India Ltd.	Iran, U. A. R.
Tractor parts	Bolton India Ltd.	Afghanistan
Horn, head lamps etc.	Sharco Industries (P) Ltd.	Afghanistan, Iran
Electrical motors	Hindustan Brown Boveri Ltd.	Thailand, U. A. R., Singapore, Iran, Africa
Auto parts	1. Lloyds Tools India 2. Ottino Engg. Corporation 3. Luck Auto Ancillary Ltd.	Iran, Afghanistan
Cycle parts	Midland Cycle and Motor Industries	Saudi Arabia, Iran and other Arab countries
Syringes	Hindustan Syringes (P) Ltd.	Ceylon, Nepal, Middle-East countries

1	2	3
Steel tubes	Jatindra Steel and Tubes Ltd.	Middle-East countries, Singapore, Nepal, Ceylon
Motor fans	American Universal Electric (India) Ltd.	Egypt, Middle-East countries, Nepal, Ceylon
Looking glass	Atul Glass Industries (P) Ltd.	—
Air conditioners, coolers and heaters	Electronics Ltd.	Nepal
Cotton yarn	Usha Spinning and Weaving Mills Ltd.	Ceylon, Nepal
Glazed pottery	Hitkari Potteries (P) Ltd.	Ceylon, Nepal
Readymade garments	1. Top Style Apparels 2. Santosh Exports 3. La-fashion Garments 4. Guru Hari Enterprises 5. Partap International 6. Dimple Wears Pvt. Ltd. 7. Lemomt Garments 8. Amrapali Boutique Pvt. Ltd. 9. Fabex 10. Cotton India 11. Anand Synthetics Ltd.	East Germany, U.S.A. France, U. K. Italy, Finland, Nigeria, Canada
Medicines	R. K. Phorhia Pvt. Ltd	Bahrain, Arabian Gulf Countries
Synthetic Resins	Dujodwala Industry	Ceylon, Burma
Shoes (Sports)	Bhogals D.L.F. Industrial Estate	Middle-East countries, U.S.A., U.K., East Africa
Carpets	Bharat Carpets Ltd.	U.S.S.R., Poland, Tanzania, Malaysia
Machine tools	1. Ameteeep Machine Tools Pvt. Ltd. 2. Beco Engg. Pvt. Ltd.	

1	2	3
Auto and ancillary equipment, head-lamps, lamps etc.	J. M. A. Industries Ltd.	Yugoslavia, Malaysia, Germany, U. K.
A. C. C. / A. C.S. R. Conductors	Indian Aluminium Cables Ltd.	Bangla Desh
Silicon devices	Continental Devices India Ltd.	
Railway tract testing machines	Plasser and Thesiser Pvt. Ltd.	Middle-East countries
Clutch plates	Clutch Auto Ltd.	Kenya
Auto metres	Auto Molur (P) Ltd.	Gulf countries
Printing machines	Printers House (P) Ltd.	Bangla Desh, Spain, Abu Dhabi
Oil Mill machinery carbouretors	United Oil Mill Machinery	Yeman, Ceylon, Ghana
Fuel pumps	Injecto (P) Ltd. Faridabad	Yeman, Ceylon
U.F. moulding power	Nuchem Plastics Ltd.	Middle-East countries
Bicycle free-wheels	1. Free Wheels India Ltd. 2. M.L. Manchanda & Co.	European countries Austria
C. I. pipes and fittings	Hind Ispat (P) Ltd.	U. A. R.
Pressure die castings	Oswal Engg. & General Works	Kuwait
Medicines and pharmaceuticals	Cure Well India	Bulgaria
Braiding machines	Sidha Engg. Works	U. K.
Agricultural implements	1. D.S. Diesel (P) Ltd. 2. Sethi Industrial Corporation 3. Agricultural Implements Mfg. Co.	Middle-East countries
Silver mica plates	J.V. Electronics (P) Ltd.	Middle-East countries
Printed cotton cloth	East India Cotton Mfg. Co.	U.S.S.R.

Regulated markets.—The economic development of a predominately agricultural area depends mainly on an efficient system of marketing of farm produce. Keeping this end in view, Punjab Agricultural Produce Markets Act, 1961, was passed and it provided for the establishment of markets for agricultural produce. Each village has been attached with one market or another and the provisions of the Act are applicable to the whole of the area where transactions, delivery and weighment are done. Each market has a principal market yard besides some sub-market yards are in town itself or in the adjacent villages. Some of the sub-market yards are occasionally prescribed for special commodities to facilitate smooth working.

Market committees are constituted for the markets and these comprise representatives of the area. Some important details as on March 31, 1991 regarding the regulated markets are given below:—

Sr. No.	Regulated Market and the year in which regulated	Sub Market yards	Main arrivals
1	2	3	4
1.	Faridabad (1962)	—	Wheat, gram, barley mustard oil, <i>Gur Shakkar</i> and vegetables
2.	Ballabgarh (1950)	1. Mohna 2. Fatehpur Biloch	Wheat, gram, barley, mustard <i>Gur, bajra, Jawar, Khandsari</i> and Maize
3.	Palwal (1941)	1. Hathin 2. Mundkola	Wheat, gram, <i>sarson</i> , barley <i>Gur</i> and Paddy
4.	Hodal (1950)	—	Wheat, gram, barley, mustard seed, <i>bajra, Sarson, Moong, Gur Shakkar</i> and Paddy
5.	Hassanpur (1983)	—	Wheat, Gram and <i>Sarson</i>

The produce is handled in large quantities and specialised operators perform different services. The sellers receive prompt payment of the sale proceeds from the commission agents in cash or by *hundis*. These provide a system of competitive buying, eradicate malpractices, ensure the use of standardised weights and measures and provide storage facilities. Uniform market rates have been prescribed in all the market committees.

As on March 31, 1991, the average number of villages served for regulated

market in the district was 85. During the same period average area served per regulated market was 552 sq. kilometres.

CATTLE FAIRS

Cattle fair is held at Hajipur (Palwal tahsil on (i) *Phagun Sudi Saptami*, (ii) *Ashad Badi Panchami* and (iii) *Bhadon Sudi Duj*. Good quality cows, oxen, buffaloes and camels were brought in these fairs for sale. Traders from Uttar Pradesh, Bihar, Delhi and Madhya Pradesh gathered to find their best buys.

During 1985-86, the income and expenditure of this fair were Rs. 4,351 and Rs. 2,092, respectively. Since 1986, the Government decided to discontinue the cattle fairs being uneconomical.

The income accrued and expenditure incurred at the fairs were proportionately divided between the Government and the samities.

Co-operation in Trade.—The District Wholesale Co-operative Supply and Marketing Society Limited, Faridabad conducts wholesale business. The primary marketing societies operate the wholesale business and also provide facilities to their members by renting or owning godowns and thereby facilitate grant of advances against pledge of produce and sale of member's produce. They act as an agency of the Govt. for procuring agricultural produce and distributing the agricultural inputs like improved seeds and fertilizers. In 1990-91, there were following co-operative and marketing-cum-processing societies in the district :—

(i) The Ballabgarh Co-operative Marketing Society Limited, Ballabgarh;

(ii) The Palwal Co-operative Marketing Society Limited, Palwal;

(iii) The Hodal Co-operative Marketing Society Limited, Hodal.

The Membership of these marketing societies consists of primary societies and individual members. The membership, share capital and working capital of these marketing societies were as under in 1990-91 :—

(Rs. in lakhs)

Nature of the society	No.	Member- ship	Share capital	Working capital
1	2	3	4	5
District whole sale society	Nil	Nil	Nil	Nil
Marketing societies	2	1,616	3.40	24.60
Marketing-cum-processing society	1	370	0.53	00.08

Consumers Co-operative stores.—In 1965, the Faridabad Central Co-operative Consumers Store Ltd., New Industrial Township, Faridabad was opened under a scheme sponsored by the Government of India. The object was to ensure the regular distribution of consumer goods (controlled as well as non-controlled) in order to check the rising trend of prices. In 1966, Co-operative Primary Consumers Store was opened at Palwal.

These stores perform an important function by making available to the consumers their daily requirements like sugar, rice, kerosene, bicycle tyres, safety razor blades, vegetable ghee, wheat *atta* at reasonable rates.

The progress as regards membership, owned funds and working capital of the stores as on March 31, 1991 is as under:—

Central Consumer stores		2
Membership		8 thousand
Owned funds		20.54
Share capital		
(i) Held by Govt.		Rs. 15.39
(ii) Held by others		Rs. 1.21
Working capital	} Rs. in lakhs	Rs. 19.35
Value of sales		Rs. 105.09
Stores showing profit (No. 1)		1
Profit		Rs. 0.19

State Trading

Major fluctuations in prices of foodgrains led to state trading. The state agencies entered the market for purchase and sale of foodgrains at appropriate stages so as to strengthen its power to influence the course of prices and to prevent anti-social activities like hoarding and profiteering from getting the upper hand.

For distribution of foodgrains and other essential commodities initially the government started a net work of fair price shops in urban and rural areas. With a view to ensure availability of wheat, rice and sugar in the open market for consumption by the general public, the government promulgated the Punjab Foodgrains Licencing Order, 1964 and Punjab Rice Dealers Licencing Order, 1964 which required dealers to obtain licences for storage and sale of these commodities. The government further promulgated the wheat Licencing and Price Control Order, 1973 and introduced state trading in wheat. Under the licencing order, no person could store for sale more than five quintals of wheat without obtaining a licence. Further a dealer could not at any one time stock more than 250 quintals of wheat if he is a retailer or a *chakki* owner

(flour mill owner) and not more than one thousand quintals if he was a wholesaler. The state government also promulgated the Haryana Prevention and Hoarding Order, 1973 and Restriction of Stocks by Producer (Order 1973) to avoid hoarding of stocks. These restrictions were, however, relaxed in 1976 and the producer was allowed any quantum of stock between April and October every year.

The distribution of wheat *atta*, rice and sugar is done through a network of fair price shops. In rural areas, cooperative societies function as fair price shops. A few private parties were allotted fair price shops in the absence of cooperative societies. In 1990-91, there were 816 (530 urban and 286 rural) fair price shops in the district.

WEIGHTS AND MEASURES

There was no uniform standard of weights and measures in the State prior to 1941, so much so that even in the same district, it varied from village to village and a *seer* ranged from 40 to 102 *tolas* in weight at different places according to usage. Owing to increase in commercial and industrial activities in the country, this chaotic situation created a sense of uncertainty in trade because of fraudulent practices of the traders. It was to remedy this evil that the Punjab Weights and Measures Act, 1941 which in itself was a corollary to the Central Standards of Weights Act of 1939, was enacted.

To bring uniformity and to introduce a standardised system of weights and measures in the country the metric system was introduced in 1958. However, to obviate hardship to the public, a transitory period of two years was allowed permitting use of weights and measures in vogue immediately before the enforcement of the Act. Gradually people became fully conversant with new weights and measures and experienced no difficulty.

At present the units for measuring length, mass and capacity are based on metric system. Length is measured in metre and centimetre. distance in kilometre and metres; mass in kilogram and gram; and capacity in litre and millilitre.

For the scale of measurement the details are given below :—

Scales

1 metre=100 centimetres
1 centimetre 10 millimetres
1 Kilogram=10 hectograms
1 Kilogram (kg.) 1,000 grams (8)

For the measurement of

Length

"

Mass

"

1	2
1 quintal=100 kilograms (8)	Mass
1 litre= 10 decilitres	
1 litre (L)=1000 millilitres (ML)	capacity
1 Kilolitre=1000 litres	..
1 kilometre=1000 metres	Distance

The Inspectors, Weights and Measures with their headquarters at Palwal and Faridabad, verify weights, scales etc., used for trade purposes. They visit shops and markets and ensure the use of authorised weights and measures of metric equal units.

STORAGE AND WAREHOUSING

In villages, people store their produce in their houses, *kothas* (bins) or in bags. In markets, the commission agents and cooperative marketing societies maintain godowns. The mills and factories maintain godowns in their own premises to stock the requisite raw material.

There was no organised system for the storage of grains and the godowns maintained by private dealers were generally not of proper specifications. To make available better warehousing facilities, the Agricultural Produce (Development and Warehousing Corporation) Act, 1956, was passed and later replaced by the Warehousing Corporation Act, 1962. The Haryana Warehousing Corporation was established under the later Act, on November 1, 1967. The corporation was authorised to acquire and build godowns and run warehouses for the storage of agricultural produce and other notified commodities.

The corporation is running four warehouses at Palwal and Hodal. The corporation constructed its own storage capacity of 2,000 metric tonnes each at Hodal and Palwal. Godowns from private parties have also been hired at these places to meet the growing demand for storage space.

Bins and cold storage are also opened in the private sector for storing agricultural and other goods. Some of the well-known cold storages are Zamindara Cold Storage, Gram Ajrona (Faridabad); Paras Cold Storage, Mathura Road, Faridabad; Associated Industries Cold Storage, Faridabad; Ajrona Cold Storage, Mathura Road, Faridabad; and Laxmi Cold Storage, Ballabgarh.