

Janatha Bazaar: Where CV Raman met a Ponzi

Bengaluru's iconic marketplace has a curious history full of fascinating stories

MUTHU P



KIRAN NATARAJAN

BY INVITATION

mybangaloremirror@timesgroup.com

The Janatha Bazaar at Kempgowda Road (K.G.Road) was, in 1966, the first Janatha Bazaar setup under the initiative of the KSCCF, which had a primary purpose of balancing consumer goods pricing for both producers as well as end-users. (The reforms undertaken in 1964 in the new state of Karnataka, then just eight years young, to moderate consumers goods pricing, had led to the establishment of the KSCCF or the Karnataka State Co-operative Consumers' Federation in 1964).

The K.G. Road Janatha Bazaar was the iconic commercial establishment of yesteryears for visitors to the Central Bengaluru zone. Housed in a majestic corner building with a distinct three-arch entrance, it had arch-windows all over, with louvre-shutters. Looking at the impressive entrance arches and the ornaments on the building, one can't help but notice the large lettering indicating the name of the building - "ASIATIC". This has a curious history - it is said that the building belonged to a venture called the Asiatic (Insurance) Society setup by one Mr. Gopala Rao, around whom there are some fascinating tales.

Gopala Rao, who was an ex-cashier of The Bank of Mysore, started a Bank in the '40s and built up a profile as a financial wizard and philanthropist by generous



The bazaar remains a favourite with the regulars, despite the crop of snazzy malls and retail outlets

acts of charity, for which he was even awarded a title of 'Dharma Ratnakara' by the Maharaja of Mysuru. An attractive scheme of this bank was deposits that returned high interest, which, in part due to Gopala Rao's profile and connections, drew the attention of not only the general public, but also wealthy and notable individuals. One of the well-known persons who got caught up in this scheme was Nobel Laureate C V Raman, who had invested a considerable portion of his Nobel Prize money, with the hope that the returns would fund an organiza-

tion (which was to later become the Raman Research Institute). However, the deposit business was of the nature of a Ponzi scheme where the promised high interest was, for a period, paid to older depositors by rolling over money from newer depositors. Gopala Rao eventually declared bankruptcy and all his depositors and investors, including Sir C.V.Raman, lost money. Raman is even said to have remarked that "Gopala Rao should have been given a Nobel Prize for his inventiveness!" The Asiatic Building is a curious legacy of that bankruptcy. Apparently, from

funds collected for the banking scheme, Gopala Rao had also started an Insurance venture called the Asiatic Society, which was housed in this building until the late '40s, when the Government administrators broke up and auctioned all related assets of Gopala Rao.

Interestingly, the former minister V Somanna learnt his political acumen from his Janatha Bazaar days. Somanna, who was working in Janatha Bazaar, emerged as a union leader which paved for his political entry later.

(The author is a Bengaluru heritage enthusiast)