

5(a) Attihalla 0.35 MW, (b) Thippagondanahalli 0.15 MW and (c) Vrishabhavathi Sites 0.25 MW; 6(a) Link Canal MHS - Mandya, 1.5 MW and b) Chunchanakatte Scheme 15.0 MW; 7) Madhavamanthri Anicut Scheme - 3.5 MW;. 8(a) Devara Belekere MHS - 3.0, (b) Maddur MHS - 2.0 and (c) Mudhol MHS - 1.0; (10) Dhupdal MHS 2.8 MW; (11) Keerthi hole MHS 0.21 MW; (12) Hemavathi Irrigation Project Left Bank Canal MHS - 15 MW; 13) Anordka MHS - 9.0 MW; 14) Harangi Left Bank Canal - 4.5 MW; (15) Nugu MHS - 2.0 MW; 16) Varahi Tail race MHS - 15 MW; 17) Elanecru MHS 15 MW; (18) Kabini Right Bank Canal MHS 1.95 and (19) CEE VY MHS 6.5 MW. In total 169.65 MW installed capacity of which Shivapur MHS is already commissioned. Out of 26 MHS, 21 MHS are allotted to 13 Indian firms and 5 MHS to 2 foreign firms.

### **Karnataka Electricity Board.**

Unlike the electricity boards in other states, the Karnataka Electricity Board is vested mainly with the function of transmission at distribution. The KEB purchases power generated by Karnataka Power Corporation at the rates specified from time to time by State Government. Another unique feature is that the two power houses in the Tungabhadra river situated in the State are owned and operated by the Tubgabhadr Board which is represented by the State Government of Karnataka and A.P. and Government of India, and 20% of the energy generated by these stations is the share of Karnataka Electricity Board. Further, there is Central allocation to Karnataka from National Thermal Power Corporation and other agencies. Karnataka has a share of 16% out of this. The following are the salient features of KEB as in 1993 (June): 1) 53,45,805 installations; 2) 45,381 workers; 3) 354 sub-stations of various capacities with an aggregate capacity of 8233.95 MVA; 4) 3,78,543.366 kms of distribution lines; 5) 79,665 distribution transformers with an aggregate capacity of 5,154 MVA; 6) 2,21,948 low tension and commercial power installations; 7) 2,098 high tension installations and 8) 7,33,000 irrigation pump sets energised.

### **Contribution to the Karnataka State Grid from different Basins**

1. Sharavathi Basin	1181.2 MW	37.26%
2. Kalinadi Basin	910 MW	28.77%
3. Raichur Thermal Power Station	630 MW	19.8%
4. Varahi Basin	239 MW	7.57%
5. Tungabhadra Basin (Krishna)	108 MW	3.4%
6. Cauvery Basin	59.2 MW	1.86%
7. D.G. Set Station	42.6 MW	1.34%

Source : Karnataka Power Corporation.

CHAPTER - VI  
BANKING, FINANCE, TRADE AND COMMERCE

*See part I, page No. 921:*

**Beginning of Banking**

**A**S per the then (1982) available records, while tracing the early history of banking in the State, a mention has been made that Chitradurga Bank Ltd., Chitradurga (1870) was the earliest joint stock bank to be founded in the State. But, as per the records available at present, the date of establishment of the first bank branch in the organised sector of banking in the state goes back to 1863, when the branch of the then Bombay Presidency Bank (1840) at Dharwad was opened. The early history of modern commercial banking activities in Karnataka in general and the State capital, Bangalore City, in particular can be traced back to 1863-64, with the promotion of joint stock companies (under the then existed Company's Act of 1860). A company form of business organisations came into being in large measure and combined both trading and banking. Thus, the activities of institutional financing started as one of the branches of commerce. To support these commercial ventures, the period of Commissioner's rule (1831-1881) was of great significance specially in the history of Old Mysore State which ushered in an era of modernisation by evolving the British system of administration in all spheres including banking, trade and commerce. The establishment of Bangalore Cantonment in 1809 and the shifting of state secretariat to Bangalore from Mysore in 1831 accelerated the commercial and industrial growth of Bangalore. The introduction of limited liability clause in the Company business from 1857 onwards and Cotton Boom of the 1860s gave stimulus for the promotion of new joint stock Cos., which mainly took up financing and banking. This period provided the needed infrastructure for the growth of banking and other allied activities in the State.

As per the available records, the first organised commercial bank branch to be opened in Bangalore was the branch of the then Madras Presidency Bank (1843) on 1st July 1864 (in 1868 this branch was shifted to the present site

of the S.B.I. Regional office in St. Mark's Road). This marked the beginning of commercial banking in the princely Mysore. In respect of Bombay-Karnataka area, a year before this, i.e. in 1863, the then Bombay Presidency Bank (1840) had opened its branch office at Dharwad town in order to facilitate the *hundi* business of cotton traders of Bombay-Karnataka area specially the Bombay based European business houses, the Gujarathis, Parsis and others. This Dharwad branch of Bombay Bank can be said to be the first commercial bank in the present Karnataka State. However, the life span of this first bank office of Dharwad was very short, of 15 years.

Regarding the native (private sector) joint stock banks to be promoted first in the State were Bangalore-based Bangalore Bank Ltd., and Mysore Bank Corporation Ltd., both registered in 1868 with a share capital of Rs.7 lakhs and Rs.2 lakhs respectively.

*Add to p.923:*

### Growth in Bangalore

As said earlier, the Bangalore City including the cantonment area had a rich potentiality and proper infrastructure which boosted the growth of banking both in organised and unorganised sectors. Money lenders in Cantonment area dominated the unorganised sector of banking.

The list of banking companies existed in Bangalore between 1868 and 1876 is given below.

<i>Sl. Name No.</i>	<i>Year of registration</i>	<i>Amount of capital (Rs.)</i>
1	2	3
1. Bangalore Bank	1868	7,00,000
2. Mysore Bank Corporation	1868	2,00,000
3. Hindu Dravya Shekhara Nidhi	1869	50,000
4. Karnatic Bank	1869	1,50,000
5. Hindu Bank	1870	2,00,000
6. Maharashtra Bank	1871	50,000
7. Town Bank	1871	50,000
8. Pete Merchants' Bank	1872	3,00,000
9. Dhanabhivridhi Bank	1872	25,000
10. Beli Bank	1872	20,000
11. Alsur Bank	1873	50,000
12. Commercial Bank	1873	50,000
13. Kalyanapuri Bank	1873	1,00,000
14. Muruhaswami Bank	1874	20,000
15. Alsur Janopakara Bank	1874	20,000
16. United Native Bank	1874	50,000

1	2	3
17. Lakshmi Vilasa Bank	1875	50,000
18. Alsur Hindu Fund	1875	20,000
19. Alsur Hindu Dravya Poshini Sangham	1875	40,000
20. Cantonment Cavalry Road Savings Bank	1875	50,000
21. Provincial Bank	1875	1,00,000
22. Dodpete Rajadhani Bank	1875	20,000
23. Cantonment General Bank	1875	50,000
24. Krishnarajendra Bank	1876	2,000

During the period of six decades (1890-1949), about 12 Banking companies were founded in Bangalore City but all did not survive upto 1949 when the first unified and comprehensive Banking Companies Regulation Act 1949 was enacted in order to regulate, supervise and strengthen Banking activities in the country. However, the Bangalore Union Bank Ltd., founded in 1890 had the longest service of 50 years before its liquidation in 1940. Some of the pre-1949 banking companies founded in Bangalore other than those mentioned in the list were: Bank of Mysore Ltd., (1913), Manikavelu Banking Corporation (1920, defunct), Mysore Industrial Banking Ltd., (1920), Devanga Bank Ltd. (1926; amalgamated with Vijaya Bank in 1963), The Mysore Oriental Bank Ltd. (1926), Vysya Bank Ltd., (1930), Sriman Madhwa Sidhanta Abhivridhikarini Bank Ltd., (1930, defunct), Kaniyara Bank Ltd., (functioned between 1933-1939), Nataraj Bank Ltd., (1933; defunct), Century Bank Ltd. (1934; defunct), Provincial Bank of India Ltd. (functioned between 1936 and 1941), Bangalore Commercial Bank Ltd., (functioned between 1936 and 1941), Associated Investment and Loan Syndicate Ltd. (1936), India's Ideal Banking Corporation Ltd. (1942-defunct) and the Mysore Standard Bank Ltd. (1944, went into liquidation in 1955). The only surviving Bangalore based banks of pre-independence to-day are the present State Bank of Mysore (1913) and the Vysya Bank Ltd. (1930)

Add to p. 929:

### Public Sector Banking

During the course of nearly two and a half decades of post-nationalisation period (1969-1993), wide ranging remarkable changes have taken place in the organisational structure, approach and *modus operandi* of public sector banks in the State also as found elsewhere. Comparative figures of Statistical data or physical and financial performance at the micro and macro level studies attest the vertical and horizontal growth in the banking sector in the State. The quantitative and qualitative growth has taken place by adopting several innovative measures in the services of banking. The orbit and sphere of banking activities have been widened or enlarged and intensified. The earlier traditional 'class' concept of banking has been transformed into 'mass' banking, so also the orthodox norms in lending approach have been changed to be more progressive and purposeful. The credit-worthiness of the borrower has been replaced by

the credit worthiness of the purpose of borrowing. The target-oriented lending with much emphasis on priority sector and weaker sections, evolving the popular lending schemes like the loan melas, IRDP, DIR, Anthyodaya, 20 point programme, etc., have made it possible to bring socio-economic transformation at the grass-root level to a certain extent. The Planning Commission has identified Karnataka as one of the advanced States based on the income criterion adopted by the Eighth Finance Commission, in respect of availability of banking services and institutional finance. As in 1990, on the basis of the ratio of number of banks serving per lakh population, Karnataka was having fourth rank in the country, having 9.5 number of banks per lakh population. For the country as a whole, there were 7.1 bank offices per lakh population. The developed States, other than Karnataka were Gujrat, Haryana, Maharashtra, Punjab and West Bengal. From among the list of developed States, the rank of Karnataka was the 2nd. The spread of banking services in the rural area was much better in Karnataka compared to some of the developed States, the spread of number of banks in rural segments per lakh population was 8 in Karnataka being in the 2nd place, next only to Punjab being 9. The C.D. (Credit-Deposit) ratio of Karnataka's rural branches was the highest among the States i.e. 107.4% in June 1990 and was very much higher than All-India ratio of 65.2%. The C.D. ratio of Semi-urban branches also was the highest in Karnataka (76.9%) compared to other States which was much higher than the national ratio of 50.5%. The spread of the rural banks in Karnataka which was only 25% in June 1969 increased to 44% in March 1985 and to 55% in March 1989.

#### **Priority sector advances**

The lendings of commercial banks to P.S. including the weaker sections has exceeded the stipulated target of 40% as fixed by Reserve Bank of India. As at the end of March 1991, the advances to the priority sector were 45%. The advances to this sector increased from Rs.3,474 crores in 1989-90 to Rs.3,487 crores in 1990-91. About 48% of the advance had gone to agriculture and allied activities. About 5 percent of priority sector advances were given to SC/ST and 20% to weaker sections.

#### **I.R.D.P**

Integrated Rural Development Programme is the most important institutional credit linked programme for poverty alleviation. Banks are giving loans under this scheme for those who are below the poverty line to acquire income generating assets. It was started in our State in 1981-82. The amount outstanding under IRDP advances in the State was Rs.213.86 crores in 1989-90 which declined to Rs.175.12 crores in 1990-91. The amount disbursed to SC/ST sections out of the total disbursement was 26 percent. By the end of March 1990, the per capita deposits and advances of commercial banks in Karnataka stood at Rs. 1,843 and Rs. 1,676 respectively as against all-India figures of Rs. 2,101 and Rs.1,381 respectively.

Karnataka was in the 8th rank among the major states in per capita deposits by March 1991. Karnataka's per capita deposit was lower than the P.C.D. for the country as a whole which was Rs.2,362 in 1991. The per capita advances increased to Rs.1844 as in 1991 March which was higher than the national figure of Rs.1570. However it was lower than Maharashtra (Rs.3801), Punjab (Rs.2,201) and Tamilnadu (Rs.2,438). The deployment of credit was better compared to all-India level figures. Similarly, the credit-deposit ratio in Karnataka was the second highest in the country being 92% , the first being Tamilnadu with 98% by the end of March 1990. The all-India average was 64%.

During the decade (1982-1992) an increase in the number of banking companies operating in the State is evidenced. Many banking companies incorporated outside the state have also entered the banking map of Karnataka. In addition to 28 public sector banks, there are 18 private sector banks and 13 Regional Rural Banks operating in the State. There are two branches of foreign banks operating in Bangalore viz., A.N.Z. Gridlays Bank (July 1951) and Hong Kong & Shanghai Banking Corporation (1992). There is an increased involvement of bank funds in various economic activities of the State. The ratio of investment plus credit to deposit (ICD) worked out for the scheduled commercial banks in the state shows an increase from 88.7% in March 1981 to 102.5% in December 1987. This was higher than the national ICD ratio of 69.6% only. The total number of employees working in R.B.I Bangalore Branch office was 1,695 by the end of Sept. 1992 as reported.

*Investment in State* :The total investment made by commercial banks in the State of Karnataka in the State/Central Loans floated during July 91 to June 92 was as follows - Central Government Loans Rs. 64 Crores, State Development Loans Rs. 14.10 Crores, Other State Loans Rs. 4.50 crores as per R.B.I. report.

*Key Indicators of Commercial Banking as in March 1992*: CDR = 77.2% Loans under DIR = Rs.7,167.3 Lakhs; Loans under 20 point economic programme Rs. 1,21,513 lakhs ; Loans under IRDP Rs. 26,174 lakhs ; Priority sector advances Rs. 3,47,005 lakhs; percentage of P.S.A. of total advances 42%; per branch deposits Rs. 251.75 lakhs; per branch advances Rs.194.24 lakhs; rural deposit Rs.1,57,318 lakhs; Rural advances Rs.1,24,724 lakhs. In order to extend the benefits of banking services to a larger needy sections of the society, certain relaxations have been made in the lending policies.

*Liberalised DIR Loan Scheme*: The present limits of family income of the borrower under D.I.R. Scheme is Rs.6,400 in rural areas, Rs.7,200 in urban areas. The quantum of loan amount generally granted to a beneficiary may not exceed Rs.1,500 for working capital loan and Rs.5,000 for term loan. The rate of interest chargeable on DIR continues to be 4% but the contribution

of the State Government towards interest subsidry is nil.

Commeical banks in Karnataka have exceeded (1.3%) the target of minimum lending of one percent of their total advances under DIR. The percentage of advances to SC/ST under DIR advances was 37% in 1990 and 33% in the next year. The number of beneficiaries was 5.41 lakhs in March 1990, of them 2.01 lakhs were SC/STs

Consequent to introduction of service area approach with effect from 1-4-89 the scheme of adoption of villages by commerical banks is not in operation now.

The tables given below indicate the comparative progress made by the banking sector in several aspect in the State.

**Table No 6.1**

District-wise distribution of the number of reporting offices, aggregated deposits and gross bank credit of Scheduled Commerical Banks as in - June 1992 in Karnataka. (Amount Rupees in lakh)

District	PUBLIC SECTOR BANKS			REGIONAL RURAL BANKS			ALL SCHEDULED COMMERCIAL BANKS		
	Office	Deposits	Credit	Offices	Deposits	Credit	Offices	Deposits	Credit
Bangalore Rural	69	120,00	101,11	25	4,02	6,84	101	133,59	111,97
Bellary	82	171,22	177,76	80	40,04	43,46	172	234,66	229,99
Bidar	46	83,04	65,04	37	6,33	3,83	92	100,93	74,30
Bijapur	133	223,74	146,27	84	29,10	32,13	239	296,10	195,73
Chikmagalur	80	151,22	131,98	26	5,96	7,23	130	201,00	172,10
Chitradurga	82	180,21	167,58	96	23,66	23,97	195	235,31	208,09
Dakshina Kannada	382	1288,25	854,61	22	4,00	4,49	462	1420,88	923,22
Dharwad	174	480,56	283,02	122	42,98	58,45	326	588,23	363,33
Gulbarga	84	237,63	162,60	75	18,73	16,67	168	273,18	184,62
Hassan	99	184,31	153,24	42	12,35	13,67	155	217,94	177,92
Kodagu	81	151,64	95,56	18	3,01	2,58	108	169,38	105,72
Kolar	102	168,95	123,75	66	20,32	27,61	186	223,61	161,98
Mandya	93	132,40	105,36	26	5,57	5,55	127	150,92	115,67
Mysore	155	543,38	415,72	73	27,22	31,40	252	639,66	479,40
Raichur	73	167,51	138,88	84	38,69	41,20	161	215,11	185,40
Shimoga	122	245,65	249,99	28	5,77	7,41	175	289,94	284,88
Tumkur	107	188,41	132,15	50	13,64	13,46	179	245,45	161,22
Uttara Kannada	117	226,89	104,50	25	4,84	4,32	157	252,42	114,59
<b>Total</b>	<b>2796</b>	<b>10002,87</b>	<b>7760,48</b>	<b>1077</b>	<b>352,67</b>	<b>391,17</b>	<b>4311</b>	<b>11535,29</b>	<b>8931,19</b>

Source : Reserve Bank of India.

**Table No. 6.2**

Statement showing the Total number of all Scheduled Commercial (Including R.R.Bs) bank branches and population served per branch.

Sl. District No.	Number of Banks as on			Population served per branch (with reference to 1990 branches) (in 000's)
	1985 December	1988 December	1990 March	
1. Bangalore Rural	668	91	99	18
2. Bangalore		607	626	5
3. Belgaum	264	272	278	11
4. Bellary	156	166	170	9
5. Bidar	73	77	81	12
6. Bijapur	219	224	231	10
7. Chikmagalur	126	130	130	7
8. Chitradurga	185	189	194	9
9. Dakshina Kannada	436	455	459	5
10. Dharwad	285	307	321	9
11. Gulbarga	151	154	161	13
12. Hassan	132	143	154	9
13. Kodagu	108	108	108	4
14. Kolar	161	161	175	11
15. Mandya	96	120	126	11
16. Mysore	234	246	250	10
17. Raichur	154	159	161	11
18. Shimoga	156	169	174	10
19. Tumkur	148	160	175	10
20. Uttara Kannada	137	149	154	7
Total	3889	4087	4227	

Source : Institutional Finance & Statistics Dept., Government of Karnataka



**Table No. 6.3**

Table indicating the progress of all Scheduled Commercial Banks in Karnataka  
(Rs. in crores)

Year ending in June	No. of offices		Deposits		Advances	
	Public Sector Banks	Regional Rural Banks	Public Sector Banks (Rs.)	Regional Rural Banks (Rs.)	Public Sector Banks (Rs.)	Regional Rural Bank (Rs.)
1982	2625	421	2285	29.33	1750	55.95
1984	2776	826	3183	62.85	2651	116.74
1986	2944	973	4406	89.56	3594	171.73
1988	2977	1039	5955	151.28	5231	258.37
1990 March	3161	1066	7967	250.65	7115	361.37

**Table No. 6.4**

The details of the Regional Rural Banks operating in the State as in March 1990.

Name of Regional Rural Bank	Date of establishment	Sponsoring Bank	Districts covered	Total No. of branches	(Rs. in crores)	
					Deposits	Advances
Tungabhadra Grameena Bank, Bellary	25-1-1976	Canara Bank	Bellary	80	26.86	37.63
			Raichur	84	29.16	37.65
Malaprabha Grameena Bank, Dharwad	16-8-1976	Syndicate Bank	Belguam	86	34.59	41.42
			Dharwad	122	31.42	62.63
Cauvery Grameena Bank, Mysore	2-10-1976	State Bank of Mysore	Mysore	73	19.39	28.11
			Hassan	42	8.74	11.18
Krishna Grameena Bank, Gulbarga	1-12-1978	State Bank of India	Bidar	32	4.61	3.15
			Gulbarga	72	13.06	20.71
Chitradurga Grameena Bank, Chitradurga	5-8-1981	Canara Bank	Chitradurga	96	17.15	25.35
Kalpatharu Grameena Bank, Tumkur.	31.3.1982	State Bank of Mysore	Bangalore Rural	24	2.95	5.52
			Tumkur	49	7.93	11.10
			Bangalore	12	2.46	2.98
Kolar Grameena Bank, Kolar	16-2-1983	Canara Bank	Kolar	66	15.58	23.80
Bijapur Grameena Bank, Bijapur	31.3.1983	Syndicate Bank	Bijapur	84	18.36	22.66
Chikmagalur-Kodagu Grameena Bank, Chikmagalur	28-4-1984	Corporation Bank	Chikmagalur	26	3.66	6.03
			Kodagu	18	2.17	2.38

<i>Name of Regional Rural Bank</i>	<i>Date of establishment</i>	<i>Sponsoring Bank</i>	<i>Districts covered</i>	<i>Total No. of branches</i>	<i>Deposits</i>	<i>Advances</i>
Sahyadri Grameena Bank, Shimoga	6-9-1984	Canara Bank	Shimoga	28	4.10	6.95
Netravati Grameena Bank, Mangalore	11-10-1984	Syndicate Bank	Dakshina Kannada	22	2.38	3.71
Varada Grameena Bank, Kumta	12-10-1984	Syndicate Bank	Uttara Kannada	24	2.58	3.47
Visvesvaraya Grameena Bank, Mandya	27-3-1985	Vijaya Bank	Mandya	26	3.50	4.94

### The Lead Bank Scheme

There is no remarkable change in the policy and programmes of Lead Bank Scheme (1969). To make the scheme more intensive and meaningful, villagewise service area approach is being followed while formulating annual action plans. The present lead banks and the districts allotted to them are as follows:

Lead Bank	Districts
1. Canara Bank	Bangalore Rural, Bangalore, Chitradurga, Hassan, Kolar and Shimoga.
2. Syndicate Bank	Belgaum, Bellary, Bijapur, Dakshina Kannada and Uttara Kannada.
3. State Bank of India	Bidar and Gulbarga.
4. Corporation Bank	Chikmagalur and Kodagu
5. Vijaya Bank	Dharwad and Mandya
6. State Bank of Mysore	Mysore and Tumkur
7. State Bank of Hyderabad	Raichur

*Add to page No.938:*

### Money Lenders

It is generally found that inspite of the conspicuous increase in the number of agencies (including the Govt.) in extending liberal institutional credit facilities in recent years, the dependence of small and marginal cultivators and the weaker and other unorganised sections of the Society on village money lenders (mostly unregistered) as well as professional money lenders is on increase due to various reasons. Even in the urban areas the predominance of money lenders and pawn brokers can be seen.

The recent statistical data indicate that there is an increase in the number of registered money lenders, pawn brokers and finance corporations in the

State. As per the administrative report of the Department of Co-operation, by the end of 1991, there were 1,555 registered money lenders, 5,459 pawn brokers and 3,952 finance corporations in the state. The total amount of licence fees collected from these agencies for the year 1991 was Rs.10.02 lakhs and the security deposit collected upto the end of 1991 was Rs.384.26 lakhs.

During the year 1991 (1-1-91 to 31-12-91), the loans advanced by the money lenders for agricultural and non-agricultural purposes accounted to Rs.287.12 lakhs and Rs.1,684.37 lakhs respectively. Of this total lending, the share lent to SC/ST borrowers' accounted to Rs.44.44 lakhs for agricultural purpose and Rs.70.88 lakhs for non-agricultural purpose. The credit granted by the pawn brokers during the above period was reported as Rs.861.93 lakhs for agricultural purpose and Rs.7,879.72 lakhs for non-agricultural purposes.

The Finance Corporations generally located in trading and commercial centres, play an important role both in the mobilisation of public deposits and financing local trade and commerce. During the year 1991 these corporations were able to mobilise the deposits of Rs.8,177.85 lakhs. The aggregate deposits held by the finance corporations in the State at the beginning of the year (1-1-1991) were accounted to Rs.3,128.56 lakhs. The deposits refunded during the year were accounted to Rs.3,112.79 lakhs. The amount of total lending by the finance corporations in the State during the year 1991 was Rs.11,738.07 lakhs of which Rs.1,139.79 lakhs was meant for agricultural purposes and the rest (Rs.10,598.28 lakhs) for non-agricultural purposes. In the year 1984 an Amendment to the Karnataka Money Lenders and Pawn Brokers Act 1961 required the money lenders and pawn brokers to make a security deposit on the basis of their annual volume of transaction.

*Chit Funds:* The Registrar of Co-operative Societies in Karnataka have been appointed as Registrar of Chits under the Central Act administered by the State Government Chit Fund Act 1982. The total number of certificates issued during 1991 for commencement of chits were 516 with aggregate amount involved in chit transactions being Rs.257 lakhs. The total amount of fees collected from these institutions was Rs.1.38 lakhs.

Recently (27th July 1992), the rates of interest chargeable by the money lenders have been enhanced. The present maximum rates of interest in respect of secured and unsecured loans for all classes of business are 21 and 23 percent per annum respectively (the earlier rates were 18 and 21 percent).

Among the districts of Karnataka, the largest number of money lenders which includes pawn brokers and finance corporations together are found in Bangalore district, being nearly 3,152; the category-wise break-up figures being 131 money lenders, 2,515 pawn brokers and 506 finance corporations as in 1991. The other districts concentrated by these agencies were Dharwad with

1014 (money Lenders 359, Pawn Brokers 190 and Finance Corporations 465); Dakshina Kannada 918 (M.Ls. 101, P.Bs.445 and F.Cs.372) and Mysore 894 (MLs.42, P.Bs. 607 and F.Cs.245)

*Add to page 947:*

### **National Savings**

In order to popularise the NSS scheme further new schemes have been added to suit all economic groups including the retired government employees and the employees of the public sector undertakings. There are as many as 13 schemes.

To popularise the scheme in the urban and rural areas the organisation has launched a campaign for enrolling educated unemployed women for taking up Mahila Pradhana Kshetriya Bachat Yojana Agency (M.P.K.B.Y). The total number of such agents by the end of March 1992 were 5,981. Under the pay roll saving group scheme (PRSGs) there were 9,234 accounts in the State.

The table below indicates the targets and achievements under the National Savings in the State for some recent years.

(Rs. in Crores)

	Target		Achievements	
	Gross	Net	Gross	Net
1989-90	600	300	944.38	440.07
1990-91	500	250	766.09	280.85
1991-92	660	330	746.72	288.51
1992-93	750	375	1006.21	292.08

*Add to page 944:*

### **State Financial Corporation**

The Karnataka State Financial Corporation (KSFC) continues to play an important role in providing term and other loans to the industries specially in private sector. The sphere of activities of the Corporation have been expanded in recent years with a network of regional offices and branches in the State. The paid-up capital of the KSFC by the end of March 1992 was 51.10 crores as against Rs.49.10 crores in 1989-90. The loans disbursed by the Corporation during 1991-92 amounted to Rs.246.34 crores as against Rs.190.71 and Rs.147.02 crores during 1990-91 and 1989-90 respectively. The net profit earned by the financial institution during 1991-92, 1990-91 and in the previous year were reckoned at Rs.8.19 crores, Rs.6.46 crores and Rs.5.68 crores respectively. Since its inception (1959), upto the end of 1991-92, the Corporation has extended the financial assistance to the tune of Rs. 1612.35 crores to 63,317 cases of which Rs. 987.69 crores was extended to small scale units numbering 44,751.

The Corporation is one of the important financial agencies which has contributed much for the success of 'Vishwa' industrial programme of the State Government introduced in October 1991. Till March 1992, KSFC has assisted 2,105 entrepreneurs in the rural areas under the said programme to the tune of Rs. 5.31 crores.

**Table No. 6.5**

Table given under indicates the districtwise analysis of sanctions and disbursements of loans by the KSFC for the years 1990-91 and 1991-92.

(Amount Rs. in lakhs)

Sl. Districts No.	Sanctions				Disbursements	
	No.	990-91 Amount	No.	1991-92 Amount	1990-91 Amount	1991-92 Amount
1. Bangalore (including rural dt.)	1463	8729.38	2159	11528.46	5850.03	7823.83
2. Belgaum	539	1315.98	737	1649.68	1112.59	1319.26
3. Bellary	283	934.98	419	1502.64	851.39	1010.27
4. Bidar	209	910.92	252	946.26	823.98	1137.69
5. Bijapur	645	671.24	833	1390.10	624.73	882.30
6. Chikmagalur	174	265.59	229	278.64	225.79	276.24
7. Chitradurga	247	1433.10	473	1649.41	813.89	1222.44
8. Dakshina Kannada	523	1467.10	660	1799.76	1183.50	1355.24
9. Dharwad	495	1572.20	773	2155.31	1222.25	1703.35
10. Gulbarga	244	615.85	303	1136.73	459.45	852.92
11. Hassan	239	473.65	362	736.60	357.26	481.15
12. Kodagu	123	229.31	124	210.31	133.74	206.35
13. Kolar	265	945.67	342	1527.61	696.52	1241.97
14. Mandya	236	505.57	264	600.65	475.31	627.70
15. Mysore	781	2027.62	1108	2150.47	1822.77	1742.00
16. Raichur	205	578.89	240	1000.14	385.80	653.72
17. Shimoga	827	818.70	563	854.79	602.75	710.30
18. Tumkur	613	1267.89	575	1524.81	1191.10	1048.04
19. Uttara Kannada	173	325.14	195	645.48	238.60	339.42
<b>Total*</b>	<b>8284</b>	<b>25088.78</b>	<b>10611</b>	<b>33287.85</b>	<b>19071.45</b>	<b>24634.19</b>

\* excluding bridge loan/loans.

Add to page 951:

### INSURANCE

Compared to the previous decades, a growing insurance consciousness can be seen in our State also in general which has resulted into vast expansion of insurance business in the State. At present there are 6 divisions including Bangalore II (new) in the State. It is reported that the premium income of the Bangalore Division of the L.I.C. was Rs.170 crores (1991-92) which was one of the highest in the country.

**Table No.6.6**

The table given below indicates Division-wise new business enrolled as also the business in force under individual assurances.

Division	Area in 1000 sq.kms	Population in lakhs as per 91 Census	New Business in 1991-92		Average sum assured per policy Rs.	Total business on 31.3.92	
			No. of policies	Sum assu- red (Rs. in crores)		No. of policies (in '000s)	Sum assu- red with bonus (Rs. in Crores)
Bangalore I } Bangalore II }	26.80	110.01	1,95,089	635.66	32,583	1365	3322.46
Udupi	37.10	77.87	1,60,783	427.38	26,581	926	2055.52
Mysore	27.8	68.51	1,24,786	310.55	24,887	572	1277.60
Dharwad	37.10	82.37	1,36,170	367.05	27,414	732	1830.36
Raichur	63.00	109.40	80,869	246.97	26,955	426	1142.90

**Table No. 6.7**

Table showing L.I.C's Investments in the State of Karnataka.

Rs. in laksh

Sl. No.	Category	Investment	
		As At 31-03-1991	As At 31-03-1992
1.	State Government Securities	5783.79	7332.87
2.	Land Development Bank Debentures	3846.34	4077.40
3.	State Electricity Bonds	1058.25	1058.85
4.	State Financial Corporation Bonds and Shares	1537.54	1836.04
5.	Other Approved Securities	15.97	15.97
<b>LOANS TO -</b>			
6.	State Governments for Social Housing Schemes.	5480.99	6160.90
7.	Apex Co-operative Housing Finance Societies, Housing Boards & Other Authorities	2805.00	3035.00
8.	State Governments, Municipalities, Zilla		

continued

Parishades etc., for water supply schemes.	8525.85	9997.71
9. State Electricity Board	13333.80	15329.47
10. Sugar Co-operative Societies	142.13	133.30
11. State Road Transport Corporations	1794.20	1989.70
<i>CORPORATE SECTOR :</i>		
12. Shares, Debentures and Loans to Companies (Public, Co-operative and Private Sector).	13696.59	17736.65
<b>Total</b>	<b>58020.45</b>	<b>68703.26</b>

*Add to page No.952:*

### **Government Insurance ( K.G.I.D.)**

in order to render good service facilities to the policy holders and to streamline the administration the department has been decentralised. The bonus declared by the department for the years 1988-90 was Rs.80 per thousands per annum. The number of K.G.I.D. Policies in force for 91-92 were 8,05,687 as against 7,94,217 and 7,95,025 policies for the preceding two years respectively. The premium income of the department for 91-92, 90-91 and 89-90 was accounted to Rs.49.92, Rs.47.39 and Rs.44.08 crores respectively. The sum assured was reckoned at Rs.997.94 crores for 1991-92, and Rs.901.34 and Rs.851.55 crores for 1990-91 and 1989-90 respectively. The number of vehicles insured by the Department in the State accounted to 18,845 (Rs.58.30 lakhs), 17,515 (Rs.108.38 lakhs) and 19,536 (Rs.135.47 lakhs) for the years 1989-90, 90-91 and 91-92 respectively. The figures in the bracket indicate the annual premium income. The number of staff employed by the department was 887 by the end of March 1992. The Department Completed its Centenary in 1993.

*Add to page No 954 :*

### **Stock Exchange**

Promotion of new public companies in the state and outside, growing tendency of public investment in corporate bodies etc, have stimulated the growth of stock exchange business in the state specially during the decade of 1980-90s. At present, there are two stock exchanges functioning in the state at Bangalore and Mangalore. Recently (from October 1992). Karnataka Chamber of Commerce, Hubli, has started on an experimental basis Hubli-Dharwad Stock Trading Co., which operates two days in a week for the time being. This exchange is yet to be recognised by the Central Government.

### **Bangalore Stock Exchange**

In recent years, Bangalore Exchange has emerged as one of the leading exchanges in the country. The number of members of the stock exchange has now gone upto 150 and the number of companies who have officially listed

their shares with the exchanges has increased to 313 (1989), as against 217 in 1985. The number of Karnataka based listed companies is 166. As per the report, the total turnover of the exchange has increased from Rs.272 crores in 1989-90 to Rs.1,760 crores during 1991-92. Every day, over Rs.4.5 crore of business is put through this exchange.

**Mangalore Exchange** :The Mangalore stock Exchange was established in July 1984, and was accorded recognition in sept.1985. The total number of members registered with the exchange is 83 and the number of companies listed are 24. The average volume of business transacted per day is estimated to be Rs.4.5 Lakhs.

Add to page No 955:

### Postal Life Insurance

Postal Life Insurance was First started in 1884 (not in 1883). Now, the scheme has been further extended to the employees of State and Central Public Sector undertakings including the employees of the R.R.Bs. (Grameena Banks). The table given below indicates the periodical progress of the Department for some recent years.

**Table No.6.8**

(Amount in thousands Rs.)

Year	No. of policies issued	Sum assured	Bonus declared (per thousand Rs.)	
			Whole Life	Endowment
1981-82	7,647	63,953	53	42
1983-84	8,986	1,04,390	59	47
1985-86	7,409	1,24,341	67	54
1987-88	9,648	2,24,974	78	63
1989-90	20,187	5,13,100	83	67
1990-91	20,515	5,25,580	85	70
1991-92	17,330	5,55,960	N.A	N.A

Add to page No.956:

### CO-OPERATIVE MOVEMENT

As per the annual report of the State Co-operative Department, there were 25,673 co-operative institutions in the State by the end of 1992 including the apex institutions at the State, district and taluk levels with membership over 128 lakhs, covering about 93% of agricultural households, their share capital amounting to about Rs.441.86 crores and deposits to about Rs.964.32



crores. It is estimated that the total value of agricultural produce handled by the co-operatives exceeds Rs.4,000 crores annually and of the total institutional finance, the supply of agricultural credit through co-operatives has crossed 50% of the requirement of the farmers.

The co-operative institutions functioning in the State have been classified into 31 different categories. (In page No.957 in part I, in the second para there is a printing error that there are 83 different categories of co-operatives. It should have been as 38).

The districtwise number of co-operative institutions (including defunct) in the State as on 30th June, 1992 was as follows: Bangalore city 1906, Bangalore rural 1300, Kolar 1617, Tumkur 1289, Chitradurga 1183, Shimoga 918, Belgaum 2570, Dharwad 2324, Bijapur 1315, Uttara Kannada 676, Mysore 1821, Mandya 1252, Hassan 962, Chikmagalur 407, Kodagu 411, Dakshina Kannada 1186, Gulbarga 995, Raichur 719, Bellary 865 and Bidar 762.

The tables given below indicate the comprehensive picture of the trends of growth of co-operative movement in the State for some recent years.

**Table No.6.8**

Categorywise number of Co-operatives in Karnataka State

Sl.No	Co-operative Societies	89-90	90-91	91-92
1		2	3	4
1.	Primary Agricultural Credit Societies:			
a.	P.A.C.S.	4,448	4,448	4,212
b.	Farmer's Service Societies	214	214	210
c.	Large sized Agri. Multi-purpose Soc.	19	19	19
2.	Primary Co-op. Agril. and Rural Dev. Banks	177	177	177
3.	Grain Banks	154	154	151
4.	Urban Banks (under BR ACT)	218	218	206
5.	Employee Credit and other Credit Soc.	7	7	7
6.	Urban Banks (Non-RBI Act)	17	17	17
7.	Employees and other Credit Soc.	1533	1543	1592
8.	Marketing Societies-General Purpose	187	187	189
9.	Specialised Commodity Marketing Societies	210	212	339
10.	Processing Societies	32	32	32
11.	Sugar Factories	22	21	22
12.	Milk Supply Societies:			
a.	Unions	13	13	13
b.	Societies	5549	5559	6178
13.	Live Stock Societies	57	56	72
14.	Farming Societies	292	292	242

Continued

1	2	3	4
15. Irrigation Societies	661	661	564
16. Fisheries Societies	255	241	272
17. Weavers Societies	659	659	726
18. Other Industrial Societies	1339	1331	1376
19. Cold Storage Soc.	1	1	-
20. Spinning Mills.	18	18	18
21. Consumers:			
a. Whole Sale	31	32	32
b. Primary	1595	1597	1618
22. Housing Societies	1601	1601	1606
23. Industrial Estates	8	8	8
24. Labour Contract Societies	232	232	212
25. Forest Labour Societies	46	46	45
26. Transport Societies	26	26	28
27. Other Non-Credit Societies	428	441	408
28. Women's Co-operative Societies	402	402	424
29. Students Co-operative Societies	199	199	200
30. Electricity Co-operative Societies	13	13	10
31. Multi Unit Co-operative Societies	2	2	2

Table No.6.9

General progress of the Co-operative Movement in the State

<i>Sl. Particulars</i> <i>No.</i>	<i>1989</i>	<i>1990</i>	<i>1991</i>	<i>1992</i>
1. No. of societies	25,709	25,597	25,853	25,673
2. Membership (in lakhs)	112.35	114.26	117.97	128.00
3. Share capital (in crores)	409.36	420.57	431.08	441.86
4. Deposits (in crores)	906.72	917.85	940.80	964.32
5. Advances (in crores)	695.84	713.42	731.25	734.91
6. Working capital (in crores)	3042.41	3081.30	3158.33	3237.29
7. Villages covered by Co-ops.	100%	100%	100%	100%
8. No. of Agril. families covered by Co-ops.	88%	88%	88%	88%
9. Coverage of Membership to total population	30.25%	30.77%	30.77%	28.57%
10. Coverage of Membership to Adult population	51.12%	53.05%	53.05%	50.86%

## Index Numbers of Co-operative Activities in Karnataka (base 1960-61=100)

Table No. 6.10

<i>Year</i>	<i>No. of Societies</i>	<i>Membership</i>	<i>Share Capital</i>	<i>Deposits</i>	<i>Working Capital</i>
1960-61	100	100	100	100	100
	(14,871)	(2433)	(1738)	(2200)	(10,343)
1965-66	124	144	163	150	164
1970-71	131	179	474	322	516
1975-76	153	244	722	645	886
1980-81	156	339	1037	1068	1420
1985-86	162	427	1783	3328	2741
1986-87	168	429	2199	3986	2884
1987-88	169	447	2305	4090	2906
1988-89	169	449	2306	4133	2925
1989-90*	172	460	2419	4172	2979
Index with 1980-81 as base (100)					
1980-81	100	100	100	100	100
	(23,159)	(8248)	(18,023)	(23,496)	(1,46,871)
1985-86	104	126	172	312	193
1986-87	108	127	212	373	203
1987-88	109	132	222	383	205
1988-89	109	132	222	387	206
1989-90*	111	135	233	391	210

Note: 1. Membership in '000s 2. Rupees in lakhs; 3. provisional

\* Figures in brackets indicate absolute figures;

### Co-operative Credit

Increased economic activities based on agriculture and allied activities have caused growing demand for institutional credit in general and through co-operative sector in particular. The different term credit requirements of the farmers are met by the three-tier structure i.e., Karnataka State Co-operative Apex Bank at the State level, D.C.C. Banks (19) at the district level and Primary Agricultural Credit Societies (PACS) (4448) at the village level. Refinance facility is available from National Bank for Agriculture and Rural Development (NABARD 1982) to D.C.C. banks through the Apex bank. Long-term credit is supplied in two-tier structure i.e. Karnataka State Co-operative Agriculture and Rural Development Bank (KSCARD) at the State level and Primary Rural Development Banks (177) at the taluk level.

The table given below indicates the targets and achievement of S.T., M.T. and L.T, loans through co-operative banks in the State for the last threeyears.

**Table No. 6.11**

(Rs. in crores)

<i>year</i>	<i>Type of loan</i>	<i>Target</i>	<i>Achievement</i>
1989-90	S.T.	220.00	185.90
	M.T.	10.00	7.80
	L.T.	80.00	76.39
1990-91	S.T.	239.00	58.65
	M.T.	25.00	5.70
	L.T.	100.00	72.16
1991-92	S.T.	220.00	63.78
	M.T.	10.00	2.21
	L.T.	115.00	46.43

**Recovery of Co-operative Dues**

The Demand, Collection, Balance and % of recovery of S.T., M.T., & L.T. loans for the last 3 years are as follows: (Rs. in crores)

<i>Year</i>	<i>Type of loan</i>	<i>Demand</i>	<i>Collection</i>	<i>Balance</i>	<i>% of recovery</i>
1989-90	S.T.	285.52	53.27	232.25	18.65
	M.T.	46.53	4.30	42.23	9.23
	L.T.	111.92	26.89	85.03	24.03
1990-91	S.T.	306.26	110.00	296.26	35.92
	M.T.	57.74	22.70	35.06	39.30
	L.T.	160.85	54.99	105.86	34.19
1991-92	S.T.	267.53	137.55	129.28	51.41
	M.T.	49.77	16.72	33.25	33.26
	L.T.	169.20	46.13	123.07	27.26

*Agriculture Rural Debt Relief Scheme 1990:* According to this scheme, which is based on the Central Government Scheme, the eligible loans taken by the farmers, weavers and artisans from co-operative banks and societies up to Rs.10,000 were waived off. On account of this, loans amounting to Rs.134.05 crores covering 4,39,102 beneficiaries in the State were waived off. This scheme was closed by the end of March 1991.

*K.S.C.A.&R.D Bank:* The special feature of the Karnataka State Co-operative Agriculture and Rural Development Bank is that it is said to be the first bank in the country to take up non-farm lending since 1987 and loans are also granted under rural housing programme to mark its diamond jubilee year 1989-90.

### Limitations of the Co-op. Movement

The movement, basically being the people's movement, has its own inherited deficiencies and limitations which have retarded its growth. Due to malfunctioning and irregularities, the number of defunct and non-viable co-operatives has increased. By the end of June 1992, of the total co-operative institutions (24,478) in the State, 4,587 were under liquidation and 3,509 were defunct. The table given below indicates the details of cases of mis-appropriation.

**Table No. 6.13**

<i>Sl. Particulars No.</i>	<i>U/S 63* Audit</i>	<i>U/S. 64 Inquiry</i>	<i>U/S 65 Inspn.</i>	<i>Others</i>	<i>Total</i>
1. Cases detected	7786	320	129	140	8375
2. No of persons involved	8140	429	177	157	8903
3. Amount involved (in lakhs of Rs.)	1462.56	182.77	59.13	20.60	1725.06

\* Under sections 63 of Co-op. Society's Act, 1959

Even though the primary agricultural societies cover almost all the villages in the state, their membership is confined to about 65% of the rural households. The percentage of borrowing members is still less i.e., hardly about 27% of the total membership. Despite reorganisation efforts the quality of operation has not improved. They have become the weakest link in the co-operative credit structure, their thrift activities are found insignificant and the size of overdues has not come down.

Many of the co-operative institutions at the primary level, specially (PACs) are non-viable institutions. It is also true in the case of industrial co-operatives and housing co-operatives in the urban centres. The institutions like farming co-ops., fruit processing, live stock, irrigation, better living, T.A.P.C.M.S., labour, grain banks (except in Kodagu), taluk level unions and students' and consumer co-operatives have almost become inactive due to number of reasons.

In the following pages, tables showing the progress of some of the important co-operative institutions like Apex Bank, D.C.C. bank, Urban banks, PACS, PCARD Banks, Marketing Federation, employment in co-op. sector and annual plan etc. are appended.

As revealed by the Administrative Report of the Department for 1989-

90, the contribution made by the department to the state exchequer for the year was Rs.32.68 crores in the form of dividend and interest on debentures. The investment made by the Government during the year was Rs.3.88 crores as a share capital, Rs.5.02 crores in debentures in addition to a loan and subsidy of Rs.3.27 crores and Rs.35.27 crores respectively. The annual plan outlay for 1989-90 was Rs.1,676.58 lakhs as against which the expenditure was Rs.1,736.90 lakhs. The non-Plan outlay for the year was Rs.8478.14 lakhs and the expenditure was Rs.7120.37 lakhs. The aggregate staff strength of the department by the end of March 1990 was 3424 consisting of 2446 posts in the department, 795 posts on O.O.D. basis and 183 under Rule 441.

**Table No.6.14**

Comparative Financial particulars of Karnataka State Co-operative Apex Bank are as follows: (Rs. in lakhs)

Sl. No.	Particulars	1989-90	1990-91	1991-92
1.	Share Capital	1073.45	1145.52	1203.30
2.	Reserves	2876.28	3018.85	3387.53
3.	Owned funds	3949.73	4164.37	4590.83
4.	Deposits	21806.58	24296.28	40231.37
5.	Borrowings from NABARD/NCDC/others	17330.65	7587.39	14255.06
6.	Investments:			
	i) Govt. & Trustee Securities	6240.76	6936.03	7875.76
	ii) Call Money	2810.00	2037.00	7100.00
7.	Loans and Advances	32291.09	29224.09	36481.98
8.	Working Capital	43086.96	35909.59	61513.72

Total borrowings (outstanding) from NABARD/GOVT/NCDC, etc, as at the end of 1989-90, 1990-91 and 1991-92 (Rs. in lakhs)

Type of loan	Year		
	1989-90	1990-91	1991-92
a. Short-term	8662.42	4830.32	6104.44
b. Medium-term (Agril.)	964.79	974.39	179.27
c. Medium-term (conversion)	1146.92	1505.31	1364.26
d. Others	3425.13	3745.05	5994.24

Source: Annual Report for 1991-92 and 1992-93 of Co-operation Department.

**Table No.6.15**

Statement showing financial particulars of DCC Banks as on 31-12-91

(Rs. in lakhs)

Sl. No.	Name of the DCC Bank	Share Capital	Reserve Funds	Deposits	Working Capital (30.6.91)	Investments (30.6.91)	Dues from Agrl. only	
							Loans o/s from PACS to DCC Banks	Loans o/s from DCC to APEX Banks
1.	Bangalore	281.55	209.04	4222.31	4820.93	930.65	1154.53	146.92
2.	Kolar	152.44	63.89	953.86	1848.22	204.14	984.48	340.87
3.	Chitradurga	227.37	68.86	1486.87	2670.50	283.03	1224.34	390.35
4.	Shimoga	203.81	76.06	1376.16	2518.00	297.34	1617.16	781.60
5.	Tumkur	239.13	104.58	1072.03	2596.02	236.82	1624.34	626.29
6.	Mysore	224.28	425.49	1791.73	2161.40	730.49	649.54	-----
7.	Mandya	302.59	256.36	3479.21	5033.37	988.78	1786.58	565.74
8.	Hassan	121.58	60.55	820.14	1464.37	333.53	578.50	305.94
9.	D. Kannada	325.67	118.98	3785.46	5298.80	1295.25	2355.16	880.00
10.	Kodagu	175.00	106.03	1339.14	2841.06	744.50	1435.87	1000.00
11.	Chikmagalur	171.65	120.46	880.23	1770.32	0.00	1060.63	760.40
12.	Belgaum	886.71	383.80	8517.22	13652.36	2299.20	3772.93	2077.16
13.	Bijapur	456.24	247.84	5269.22	7082.04	2346.76	2289.29	363.20
14.	Dharwad	621.64	124.64	5289.06	8301.91	1494.96	3604.56	1246.91
15.	U. Kannada	173.82	221.88	5533.48	5310.21	1747.65	1154.69	46.59
16.	Gulbarga	201.08	50.16	480.36	2230.47	187.48	965.13	308.24
17.	Bidar	250.27	262.24	1573.12	3796.14	747.65	1578.66	506.49
18.	Raichur	154.70	193.51	459.95	1534.58	116.79	968.30	425.42
19.	Bellary	297.69	88.33	1518.32	3625.37	201.80	2237.18	1182.75
Total		5467.22	3182.70	49829.87	79056.07	15186.82	33042.17	11954.87

Source: Annual Report of Co-operative Department

**Table No.6.16****Primary Agricultural Credit Societies (Some Indicators)**

(Rs. in thousands)

<i>Sl. Particulars No.</i>	<i>1961</i>	<i>1971</i>	<i>1981</i>	<i>1989</i>	<i>1990</i>
1. No. of Societies	9107	8675	4871	4681	4681
2. Average per Society:					
a. Members	132	206	758	929	950
b. Borrowing Members	68	90	142	172	108
c. Share Capital	5.19	16.16	81.55	159.26	171.24
d. Working Capital	22.27	89.29	499.86	1,144.38	1,349.89
e. Loans advanced	15.53	43.91	223.58	655.09	386.48
f. Loans outstanding	17.64	57.55	343.93	786.02	947.49
g. Loans overdues	6.00	24.81	178.56	291.88	622.73
3. Average Loans:					
a. Advanced per Borrowing member (in rupees)	227	488	1578	3833	3568
b. Outstanding per member against whom loans are outstanding (in Rs.)	NA	NA	1299	3036	3508
c. Overdues per defaulter member (in Rs.)	NA	NA	1048	2356	3053

**Financial position of primary co-op agriculture and rural development banks**

(Rs. in crores)

<i>Sl. Particulars No.</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93 (upto 31-12-92)</i>
1. No. of PCARD Banks	177	177	177
2. Paid up share capital	29.51	32.86	20.56
3. Reserve Fund	2.05	2.19	8.45
4. Other Funds	4.78	5.41	7.30
5. Deposits	2.20	2.83	6.72
6. Borrowings	368.24	392.71	520.31
7. Investments	6.49	18.77	35.32
8. Loans Outstanding	369.91	414.55	484.28



*Urban Banks (Non-Agrl. credit co-operatives):* Karnataka ranks third in the country in the Urban Co-operative Bank movement, next to Maharashtra and Gujarat. Bangalore-based three urban banks are included in the list of top 100 urban banks of the country. Karnataka is the first State in the country to have a Federation of Urban Co-operative Banks founded in 1965 to guide and monitor the urban bank movement. There are 1894 Urban Banks which are undertaking non-agricultural credit activities; of which, 226 are town Urban Co-operative Banks and 1668 are other types of Credit Societies and employees' and salary earners, Co-operative Societies. The information relating to Urban Co-operative Banks for the period ending 31 Dec. 1992 is given in the following table:

**Table No. 6.17**

<i>Sl. Particulars No.</i>	<i>(Rs. in lakhs)</i>	
	<i>1991</i>	<i>1992</i>
1. Number of Urban Co-operative Banks	226	225
2. Number of Urban Co-operative Banks coming under BR Act 1949	218	217
3. Number of branches including H.O.	403	420
4. Total number of membership	11,09,820	11,09,820
5. Paid-up share capital	4,354.29	4537.00
6. Working capital	84,078.80	87,954.00
7. Reserve Fund	6660.79	7352.00
8. Deposits	63,589.57	60,439.00
9. Loans and advances	52,067.11	55,029.00
10. Overdues	6,902.29	4739.00
11. Percentage of overdue to loans and advances outstanding	13.3%	8.6%
12. Number of staff employed	4546	4546
13. Staff trained	1253	1256
14. Net profit	2551.80	2551.80

**Table No.6.18**

Comparative statement of Financial and other information of State Co-operative Marketing Federation

(Rs. in Lakhs)				
Sl No.	Details	1989-90	1990-91	1991-92
1.	Share Capital:			
	a. Government	866.22	881.22	881.22
	b. Others	23.12	23.18	23.19
2.	Total Business:			
	a. Purchase of Agril. Commodities	972.00	458.00	92.00
	b. Fertiliser sales	9214.40	8717.00	8149.00
	c. Pesticides sales	215.57	314.83	319.04
	d. Ginning (in Qtls.)	20043	19342	7519
	e. Pressing (in Qtls.)	22230	16671	9266
3.	Profit/Loss	+45.66	-27.70	-

**Table No.6.19**

The particulars of marketing of agricultural products and distribution of fertilisers by the T.A.P.C.M.S. in the State for the last three years is as given below:

(Rs. in crores)			
Year	Particulars	Target	Achievement
1989-90	Marketing of Agrl. produce	(Rs.) 250	266
	Distribution of Fertilisers	1,99,600 M.Ts.	1,97,654 M.Ts.
1990-91	Marketing of Agrl. produce	(Rs.) 250	344.67
	Distribution of Fertilisers M.Ts.	2,12,505	1,80,691
1991-92	Marketing of Agrl. produce	(Rs.) 250	249.30
(upto 31.12.91) Distribution of Fertilisers M.Ts.		212,505	1,56,178

**Table No.6.20****Employment in Co-Operative Sector in Karnataka As on 30-6-1990**

<i>Particulars</i>	<i>Managerial Staff</i>	<i>Other Administrative Staff</i>	<i>Technical Staff</i>	<i>Casual Labourers</i>	<i>Others</i>	<i>Total</i>
State Co-operative Bank	134	186	-	-	122	442
Central Co-operative Banks	1148	1382	9	1	504	3044
Industrial Co-operative Banks	152	172	-	-	5	329
Primary Co-operative Banks	1454	1960	167	27	468	4076
Land Development Banks	776	1003	103	41	370	2293
Primary Credit Societies:						
(a) Agricultural	5870	4839	53	238	3094	14094
(b) Grain Banks	133	5	-	4	122	264
(c) Non-Agricultural	1195	1255	-	13	635	3098
Marketing Societies	899	1302	105	147	1010	3463
Milk Supply Unions & Societies	4998	2552	263	86	2779	10678
Sugar Factories	726	1609	1943	3524	1929	9731
Consumer's Societies	1171	858	45	18	790	2882
Housing Societies	863	370	-	-	184	1417
Industrial Societies (including Weavers Societies)	1301	1068	135	5926	7548	15978
Spining Mills	380	210	133	2446	1184	4353
Women's Co-operative Societies	171	172	-	1	72	416
Others	1316	366	450	924	1390	5446
<b>Total</b>	<b>22687</b>	<b>20309</b>	<b>3406</b>	<b>13396</b>	<b>22206</b>	<b>82004</b>

The head-wise allocation for co-operation for the year 1992-93 and expenditure up to the end of 31-12-1992 is as under:

(Rs. in lakhs)

Sl. No.	Heads/sub heads of the development	Allocation for 1992-93	Expenditure during 1992-93
1.	Co-operation	1425.00	339.60
2.	Agricultural Financial Institutions	700.00	503.40
3.	Centrally Sponsored Schemes	118.25	-
4.	Central Sector Schemes	180.50	51.57
5.	N.C.D.C. Scheme	996.70	562.39
6.	R.E.C. Scheme	2.00	-

Add to page No.976:

*State Co-operative Union:* The Former Co-operative Union was reconstituted as Karanataka State Co-operative Federation since April 1987 as a result of amalgamation of three former State level co-operative organisations

with the union viz. Karnataka State Co-operative Home, Karnataka State Co-operative Publishing House and Karnataka state Co-operative Printing works (all in Bangalore).

The member education programme for tribal women and youths is implemented by the Federation since 1986 comprising of Mysore, Kodagu, Chikmagalur and Dakshina Kannada districts. Under the tribal member education, from 1985-86 till end of March 1992 by holding 300 classes for each about 5591 men, 5650 women and 5493 youths were trained. Under industrial member education, about 5,000 members were trained between 1982-92. One more training centre has been opened by the Federation at Mudabidre (D.K) in 1986.

Since inception (1957) upto the end of March 1992, Secretaries trained were 43,057 and managing committee members 3.98 lakh and 6.54 lakh general members of the co-operatives, 72,636 students (youths), 34,255 women members were also imparted training under member education programme. About 925 societies have been adopted by the Federation for their improvement. Since inception till the end of 1990, the number of persons awarded Diploma in Co-operation through seven centres were 25,602. The present sanctioned staff strength of the Federation is 233.

*Add to page No.978:*

#### **Apex Co-operative Institutions**

(1) The Karnataka State Co-operative Spinning Mills Federation Ltd., Bangalore; (2) The Karnataka Co-operative Milk Federation Ltd., (KMF) (1983), Bangalore; (3) The Karnataka Co-operative Oilseeds Growers Federation Ltd., Bangalore (1984); (4) The Karnataka Co-operative Film Federation Ltd., Bangalore; (5) All India Industrial Co-operative Bank Federation Ltd., Bangalore; (6) The Karnataka State Women Co-operative Federation, Bangalore (1992).

*Add to page No.984:*

#### **AGRICULTURAL MARKETING**

*Spread of Regulated Markets:* During the period of last 12 years i.e., 1980-1992, one more regulated market and about one hundred sub-markets have been added to the list of regulated markets in the State. This indicates that the marketing area has been expanded by extending the area of operation of the existing markets. It is reported that there are 116 main markets and 303 sub-markets in the State as in 1991-92. The Divisionwise distribution of main markets and sub-markets were as follows: Belgaum 39 (118), Bangalore 33 (72), Gulbarga 26(63) and Mysore 18 (50). Numbers in bracket indicate the sub-markets. The largest number of main markets i.e., 16 are in Dharwad district, followed by Belgaum and Tumkur districts with 10 each. Even in the case of sub-markets, Dharwad district has the largest i.e., 35 followed

by Belgaum dist. 30, Bijapur and Uttara Kannada dist. 25 each and Raichur district has 22 sub-markets. Their number is more in the districts of former Bombay presidency area as the Regulation of Market Act was implemented there much earlier.

During the year 1989-90, the number of main markets remaining the same, there were 281 sub-markets. During the year 1989-90 the APMCs in the State had handled the notified commodities valued at Rs.2,139.93 crores and of them agricultural produces alone were valued at Rs.2023.39 crores and the rest were live stock worth Rs.116.54 crores. The notified commodities handled in the regulated markets during the year 1991-92 were worth Rs.3347.86 crores, of which agricultural produces accounted to Rs.3194.43 crores and the rest (Rs.153.53 crores) were live stock.

#### Market Fee and Licence Fee

The total amount of market fee and licence fee collected in the State by the market committees during 1988-89 accounted to Rs.18.34 crores and Rs.73.44 lakhs respectively. During the next year, these were accounted to Rs.21.16 crores and Rs.77.27 lakhs respectively. The market fee collected for 1990-91 and 1991-92 were Rs.25.34 and 32.57 crores respectively, while the licence fee collected was Rs.77.27 and 137.73 lakhs respectively.

The present rate of market charges to be paid by the seller has been reduced to one percent from two percent earlier (since 1987) in respect of all agricultural produces other than fruits, flowers and vegetables. In respect of sheep and goat the market fee is Re.1, while for cattles, it is Rs.5. The total staff strength of the agricultural marketing department and regulated markets together was 3238 as in 1991-92.

#### Table No.6.21

The table given below indicates some important market functionaries operating in the regulated markets of the State in some recent years.

<i>Name of the functionaries</i>	<i>1989-90</i>	<i>1990-91</i>	<i>1991-92</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
Traders	15,616	16,083	17,476
Retail traders	23,155	23,542	23,037
Commission agents	7,949	8,384	9,467
Temporary traders	33,541	45,429	25,767
Importers	7,683	8,022	9,121
Exporters	8,447	8,750	9,799
Processors	2,537	2,640	2,921
Brokers	180	202	121
Pressers	264	138	346

1	2	3	4
Weighmen	3,664	2,747	2,030
Hamals	11,461	11,882	14,063
Cartmen	1,402	1,143	472
Transport operators (public carriers)	1,688	1,182	892
Warehousemen	155	89	145
Stockists	3,603	4,147	5,288
Ginners	257	309	552
Crushers	661	577	717

*Add to page No.989:*

### **Grading**

During 1991-92, there were 44 Primary Grading Centres working in the State, and the commodities weighing about 42.17 lakh quintals and coconuts numbering 1.40 lakhs were graded. The sales value of these commodities was Rs.631.08 crores in that year. There were also experimental grading centres for areca at Sagar, Sirsi, Shimoga and Mangalore. The quantity of areca graded and its value were accounted to 2.52 lakh quintals and Rs.163.70 lakhs respectively for 1991-92. There are six Government grading laboratories ('Agmark') and it is proposed to set up two more such units at Tumkur and Dharwad. The quantity of commodities graded for 'Agmark' during 1991-92 and their sales value were accounted to 19.54 lakh kgs and Rs.16.54 crores respectively. The number of eggs graded were 45.81 lakhs valued at Rs.38.68 lakhs.

*Add to page No.990:*

**Market Intelligence:** At present, 50 major markets and 25 important commodities are being covered for the purpose of dissemination of market information through various mass media in the State.

**Engineering Cell:** To look after the supervision of all construction works besides preparing layout plans, estimates, execution of works, etc of market committees in the State, there is an Engineering Cell at Bangalore attached to the department consisting of one Superintending Engineer, four Executive Engineers, 21 Assistant Executive Engineers with other supporting staff.

### **Development of Markets**

Markets can be developed out of their own surplus funds, assistance by the State and Central Governments and loan facilities under different schemes like World Bank, I.D.A. etc. The developmental expenditure made by the APMCs in the State for the purposes like acquisition of land, extension of grading and lab. facilities, supply of electronic weighing machines, development of rural primary markets etc. were accounted to Rs.92.95 lakhs for 1990-91 and Rs.133.78 lakhs for 1991-92 respectively. Under the Central Sector

Development Scheme, the Central Government had released the grant of Rs.716.83 lakhs for the development of 208 selected regulated markets (93 main markets and 115 sub-markets) and development of rural markets during the year 1991-92.

### **Important markets**

There are certain important markets for certain notified commodities spread all over the state. Based on the quantity of arrivals of notified commodities, during 1990-91, the following are the important regulated markets for some important produces:

*Cotton:* Raichur, Gadag, Hubli, Davanagere, Dharwad, Chitradurga, Bellary, Nargund, Ranebennur, Bailhongal, Soundatti, Kundagol and Annigeri.

*Groundnut:* Gadag, Ranebennur, Hubli, Bijapur, Talikoti, Ramdurg, Davanagere, Badami, Gokak, Gulbarga and Challakere.

*Dry Chillies:* Byadagi, Ranebennur, Haveri and Hubli.

*Jaggery:* Bagalkot, Bijapur, Belgaum, Mahalingapur, Bhadravathi, Bangarpet, Jamkhandi, Chamarajnagar, Mandya, Kollegal and Sankeshwar.

*Areca:* Shimoga, Sagar, Sirsi, Mangalore and Kumta.

*Coconut:* Kadur, Tarikere, Mangalore, Tiptur, Arsikere, Chamarajnagar, Mandya and Channarayapatna.

*Fruits, Flowers & Vegetable:* Bangalore, Mysore, Belgaum and Dharwad.

*Paddy:* Mandya, Shimoga, Raichur, Harihar, Davangere, Gangavathi, Hospet, Sindhanoor, Hangal, Sirsi, Honnavar, Gonikoppal, Mangalore and Kollegal.

*Jowar:* Hubli, Gadag, Haveri, Belgaum, Bijapur, Gulbarga and Bidar.

*Wheat:* Hubli, Gadag, Bijapur and Belgaum.

*Ragi:* Hosadurga, Madhugiri, Davangere, Tumkur, Chintamani and Bangarpet.

*Tur and Dal:* Gulbarga, Bidar, Yadgir, Sedam and Raichur.

*Betel leaves:* Honnavar, Dharwad, Ranebennur, Savanur, Tumkur and Channapatna.

*Onion:* Bangalore, Chikballapur, Davanagere, Challakere and Mysore.

*Potato:* Mysore, Malur, Chikballapur, Bangalore and Hassan.

*Spices:* Madikeri, Gonikoppal, Mudigere and Sakleshpura.

*Silk:* Ramanagar, Channapatna, Kanakapura, Sidlaghatta, Vijayapura and Kollegal.

**Table No.6.22**

Table indicating Divisionwise income, expenditure and surplus of A.P.M.Cs. in the State for the years 1989-90, 90-91 and 91-92 (Rs. in lakhs)

Division	1989-90			1990-91			1991-92		
	Income	Expendi- ture	Surplus	Income	Expendi- ture	Surplus	Income	Expendi- ture	Surplus
Bangalore	954.47	437.32	517.19	1105.63	519.61	586.41	1241.86	507.74	734.81
Mysore	475.04	208.88	266.16	524.45	218.67	308.92	679.44	263.41	418.70
Gulbarga	538.62	278.13	260.49	681.44	328.87	352.56	836.92	372.63	464.45
Belgaum	741.45	434.31	307.15	880.49	456.95	423.54	1143.26	503.32	639.94

Source: Director of Agricultural Marketing.

**Table No. 6.23**

Table showing sales value of some important notified agricultural produces in the regulated markets of the State during 1991-92 (Rs. in lakhs)

Sl. No.	Division/District	Food- grains	Pulses	Oilseeds	Cotton & fibre	Dry Chillies	Sugarcane products	Others	Value of all agri- produce
<b>I. Gulbarga Division</b>									
1.	Gulbarga	1007.63	8721.11	2758.31	5.76	56.45	75.31	100.61	12725.19
2.	Bellary	3707.57	786.73	2859.44	6667.83	77.64	110.18	163.38	14372.77
3.	Bidar	1087.22	2690.95	696.47	359.36	---	185.17	46.78	5060.95
4.	Raichur	14218.14	1371.57	12304.81	6760.26	289.12	201.06	87.74	35232.70
<b>II. Belgaum Division</b>									
1.	Uttara Kannada	453.85	---	24.12	533.66	---	11.68	10809.74	11833.05
2.	Dharwad	3127.56	2889.91	6890.61	17844.18	5656.88	79.87	2978.47	39467.48
3.	Bijapur	1691.28	612.07	7350.65	4069.36	174.87	2825.13	676.22	17399.58
4.	Belgaum	1650.39	611.43	1090.27	16585.12	78.21	1352.79	2004.65	23372.86
<b>III. Bangalore Division</b>									
1.	Kolar	3646.72	86.81	1023.61	---	26.14	549.11	1191.29	6523.68
2.	Chitradurga	2090.25	359.71	10437.42	10559.57	163.70	164.38	3966.97	27742.00
3.	Tumkur	1351.58	102.84	2255.89	---	52.41	181.54	8390.42	12334.68
4.	Bangalore City	15805.99	9147.52	178.88	---	554.53	815.94	11241.23	37744.09
5.	Bangalore Rural	335.03	4.54	336.89	---	1.56	38.31	271.99	988.32
6.	Shimoga	2466.06	637.95	5.89	922.66	338.84	821.55	14399.95	19592.90
<b>IV. Mysore Division</b>									
1.	Kodagu	481.88	0.04	0.01	---	---	11.86	5290.62	5784.41
2.	Chikmagalur	733.20	85.21	434.51	84.72	46.69	42.57	3150.53	4577.43
3.	Dakshina Kannada	1872.77	---	---	---	657.93	594.74	19684.51	22809.95
4.	Mysore	4107.00	364.36	1279.35	1870.60	158.89	1245.46	1798.68	10824.34
5.	Mandya	979.47	2.59	20.29	---	1.79	3424.10	733.37	5161.61
6.	Hassan	927.12	178.36	497.53	466.95	39.49	181.61	3593.68	5884.74
<b>Grand Total</b>		<b>61735.71</b>	<b>28653.70</b>	<b>50444.95</b>	<b>66730.03</b>	<b>8375.15</b>	<b>12912.36</b>	<b>90580.83</b>	<b>319432.73</b>

Source: Marketing Department, Bangalore.



Add to page No.1001:

**Registered Traders**

**Table No.6.24**

The table given below indicates the number of business establishments registered under the KST and CST Acts in force in the State as on 31-3-1990.

*Registered dealers under*

<i>Sl.No. Division</i>	<i>K.S.T.</i>	<i>C.S.T</i>
1. Bangalore City -I	22,442	15,847
2. Bangalore City -II	26,253	16,771
3. Bangalore	23,854	11,464
4. Mysore	19,665	8,045
5. Mangalore	17,283	8,217
6. Dharwad	18,707	9,240
7. Belgaum	19,309	9,550
8. Gulbarga	12,402	6,081
9. Davangere	18,883	9,694
<b>Total</b>	<b>1,78,798</b>	<b>94,909</b>

**Table No.6.25**

Details about Entry Tax collected during the latest three years

(Amount in lakhs)

<i>Sl. Division No.</i>	<i>1987-88</i>	<i>1988-89</i>	<i>1989-90</i>
1. Bangalore City-I	1388.39	1436.75	1629.93
2. Bangalore City-II	1208.94	1363.29	1634.85
3. Bangalore	239.07	367.57	1019.94
4. Mysore	189.79	198.53	167.52
5. Mangalore	141.16	160.95	149.80
6. Dharwad	250.35	275.60	338.92
7. Belgaum	273.75	314.75	330.00
8. Gulbarga	114.98	111.96	112.12
9. Davangere	232.52	279.53	262.01
10. Int. S.Z.	101.30	83.19	67.00
11. Int. N.Z.	32.71	12.71	5.16
<b>Total</b>	<b>4173.06</b>	<b>4604.83</b>	<b>5717.25</b>

Add Page No. 1003:

### Exports outside India

Table No.6.26

The table given below indicates some major exports of the State for some recent years.

Name of the product.	89-90 Value in crores	90-91 Value in crores	91-92 Value in crores
Engineering goods	169.30	174.70	242.00
Readymade garments	157.00	246.00	340.10
Leather products	68.23	108.71	146.52
Coffee products	142.49	119.15	346.93
Silk products	69.27	100.00	156.93
Basic Chemicals	10.32	17.51	30.10
Marine Products	11.14	38.11	N.A
Plastic goods	4.66	4.14	6.71
Tobacco products	0.34	40.32	N.A

Table No.6.27

### Detailed account for 1992-93

Sl. Product No.	Amount in crores Rs.
1. Basic Chemicals, Pharmaceuticals and Cosmetics	36.89
2. Cashew, Cashew Kernels	21.48
3. Engineering Products	243.56
4. Electronics and Computer Software	166.27
5. Plastic & Linoleum	2.94
6. Tobacco & Beedi	3.80
7. Agriculture & Processed food products	31.93
8. Iron ore and minerals	318.12
9. Coir products	0.30
10. Gem & Jewellery	22.07
11. Apparel	523.00
12. Coffee	370.87
13. Leather and leather products	150.00

.Source: Visveswarya Industrial and Trade Centre.

Add to Page No.1015:

### Weights and Measures

Recently the department has been renamed as the Department of Legal Metrology.

The tables given below indicate the progress of performance of the department for some latest years.

**Table No.6.28**

Progress of verification and stamping.

<i>Year</i>	<i>Weights</i>	<i>Weighing instruments</i>	<i>Measures</i>	<i>Measuring instruments</i>
1982-83	18,65,456	3,17,571	6,97,636	3,585
1984-85	19,01,262	4,39,530	8,09,687	4,049
1986-87	28,31,377	4,66,713	8,36,107	3,262
1988-89	27,30,715	3,95,920	5,95,445	3,755
1990-91	24,83,191	4,84,920	7,82,520	4,896
1991-92	22,35,692	5,38,468	9,08,831	5,296

**Table No. 6.29**

<i>Year</i>	<i>Verification and stamping fees collected (Rs. in lakhs)</i>	<i>No. of cases detected for contravening the provisions of the Act</i>	<i>Compounding fine in lakhs Rs.</i>	<i>Grand Total in lakhs Rs.</i>
1982-83	46.83	9,769	6.55	53.38
1984-85	52.44	14,354	5.70	58.15
1986-87	88.76	16,453	10.52	99.29
1988-89	101.48	15,548	15.30	116.78
1990-91	109.48	19,917	27.02	136.50
1991-92	117.71	22,402	43.96	161.67

### **Karnataka State Lottery**

The State Government started a lottery scheme in 1970 as one of the popular means to mobilise small savings since it contemplates compulsory investment of 25% of the prize money over Rs. one lakh and above and 10% of the Prize money for Rs. less than one lakh in small savings. In course of time, the lottery schemes became very popular both in urban and rural centres and also provided temporary employment to many, who sell the lottery tickets. When the scheme of single-digit daily lottery (Mysore Lakshmi) was introduced, it took the shape of bidding on the New York Cotton rates ('OC') or the notorious 'matka' which were some type of gambling illegally. The single number lottery was discontinued in Nov.1992. However, in Karnataka the single-digit tickets of other states are sold freely together with other tickets of other states. Mysore Sales International Ltd., is the sole agent for the lottery schemes of the State Government. The periodic draw of lotteries continues in the State.

The table given below indicates some more details and financial aspects of the State Lottery for some recent years.

**Table No.6.30**

(Amount in crores)

<i>Year</i>	<i>Total amount of lottery tickets sold in the State</i>	<i>No. of sub-agents</i>	<i>Amount invested in small Savings</i>	<i>Profit earned by the State Government</i>
1985-86	13.15	3049	0.70	3.53
1986-87	10.57	2551	0.49	2.08
1987-88	12.32	2290	0.52	2.19
1988-89	14.51	2609	0.50	3.58
1989-90	17.79	2623	0.62	3.91
1990-91	16.26	2095	0.79	3.51
1991-92	20.34	2852	0.93	5.21

Add to page No.1016:

#### **Procurement**

Procurement of rice is being done under the provisions of Karnataka Rice Procurement (Levy) Order 1984 and as amended from time to time. According to this order procurement is done in the form of rice from millers/traders against 33 1/2% of paddy converted into rice. The Food Corporation of India is the sole agent of procurement of levy rice. The K.S.F.C.S.C., Bangalore is the State agency for the purchase of paddy under support price operations. The procurement price of paddy and rice(per quintal) for 92-93 fixed by Government of India were as follows:- *Paddy*: Common variety Rs 270, Fine variety Rs.280, Superfine Rs.290; *Rice*: Common Rs,432.45, Fine variety Rs, 447.45 Superfine Rs.462.40,. As against the levy target of 1.20 lakhs MTs (rice) for the years 92-93, the achievement was 41,040 MTs. as on 31-12-91.

Add to Page No. 1017:

#### **Public distribution**

At present, the commodities covered under the P.D.S in the State are rice, wheat, sugar, kerosene, palm oil in addition to controlled cloth in the form of subsidised *dothis* and *sarees*. In addition to this, the Government is also considering the possibilities of covering commodities like pulses, iodised salt, tea powder, soap, matches, indigenous oil and exercise books for public distribution. At present, there are 273 whole-sale nominees supplying essential commodities to retail points. The entire whole-sale distribution has been entrusted

to co-operative sector and the State Food and Civil Supplies Corporation, Bangalore.

*Retail outlets:* It is reported that there were 18,435 fair price depots in the State by the end of 1992 and of them 13,575 were located in the rural areas and 4,860 were found in the I.R.(informal rationing) and urban areas.

*Special Scheme (Green card):* This scheme has come into force in the State from 1st Nov. 1985, under which food grains are supplied at subsidised rates to the rural poor (annual income of the family for this purpose has been now raised to Rs.6,400 from Rs. 3,500). The beneficiaries under the scheme also include rural landless agricultural labourers, plantation labourers, small and marginal farmers and all persons belong to SC/ST communities, beedi rollers, stone cutters etc. At present, 32.36 lakh of beneficiaries are identified and distributed food grains at highly subsidised rates of 10 kgs per family per month. Now green colour cards are being replaced by tri-colour cards since August 15th 1989. The above scheme has been extended to 45 urban towns with less than 20,000 population in 17 districts of the state and 37,066 families have been identified.

#### **I.T.D.P.**

Under the Central Scheme of Integrated Tribal Development Programme (Central Scheme), launched from January 1986, food grains are supplied at the Government of India Subsidised Rates to the rural families living in tribal areas. In the State, 23 taluks are covered under the scheme in the districts of Chikmagalur, Kodagu, Dakshina Kannada and Mysore. The Scheme covers 8,24,095 tribal families in these districts.

*Mobile Fair Price Shops:* Government of Karnataka has received Rs.50 lakhs assistance from the Central Government for setting up Mobile Fair Price Shops covering I.T.D.P. and D.P.A.P. programmes covering 19 taluks of Chikmagalur, Mysore, Dakshina Kannada, Kodagu and Raichur districts.

*Add to page No.1020:*

#### **Warehousing**

*Central Warehousing Corporation:* Bangalore region of the Central Warehousing Corporation was commissioned in 1992 and comprises of Karnataka, Kerala and Goa States. The list given below indicates the location of Central Warehouses in the State and their present storage capacity(In Mts):

Mangalore 13,390; Panambur 14,000; Belgaum 16,438; Bailhongal 2,600; Soundatti 2,260; Gadag 19,473; Gulbarga 11,157; Shikaripur 5,098; K.R.Nagar 2,124; Mysore 14,215 (Custom Bonded); Davangere 17,513;

Bangalore: Yeswanthpur-I 23,648; Yeswathpur V 7,075; Rajeswarinagar 12,718; Whitefield 5,900; Peenya 1,161 (custom bonded); NGEF 2,016 (CB); Whitefield Road, KMA 226 (CB); K.R. Puram 1,363 (CB); B.P.L (Hoskote) 518 (CB); Micro Pack (Jigni) 120 (CB); Bommanahalli 1,061 (CB); Yeswanthpur (Digital) 38(CB)

*Add to page No.1020:*

### **Karnataka State Ware Housing Corporation**

The present paid-up share capital of the Corporation by the end of March 1992 was Rs.494.94 lakhs equally shared by the State Government and the Central Warehousing Corporation. In addition to other regular functions, the Corporation has been arranging for the aerial spraying of plantation through helicopters since 1984.

Under the scheme of National Grid of Rural Godowns (NGRG) rural godowns with 1000 Mts to 3000 Mts capacity were constructed by the Corporation in 39 different places in the State at a cost of Rs.328.02 lakhs, with a total storage capacity of 59,500 Mts. With this network of NGRG, the total storage capacity of the Corporation was increased to 2.08 lakhs Mts at the close of March 1992. During the year 1991-92 the Corporation was having godowns at 88 centres in the State including those hired, with total storage capacity of 2,08,625 Mts with 70% occupancy.

The income and expenditure of the Corporation for some recent years were as follows:(The figures in the bracket indicate the expenditure; the amount is in terms of lakhs of rupees): 1981-82=91.39 (60.03); 1983-84=137.70 (100.11); 1986-87=307.83 (249.00); 1989-90=313.68 (324.93);1990-91=322.00 (300.20); and 1991-92 (Unaudited)=331.08 (312.20)

*Container Freight Station:* Railway authorities have recently (1993) identified five places in the State for setting up Container Freight Stations, Viz., White Field near Bangalore, Tumkur, Mysore, Bijapur and Mangalore.

*Add to page No.1021:*

*Co-operative Godowns:* Warehousing activities in the Co-operative sector has facilitated for better marketing of agricultural produces as well as to store agricultural inputs. By the end of March 1990 the total number of godowns of all types sanctioned in the State were 5447 and of them 4242 were rural godowns, 580 were Marketing godowns and 655 were other godowns. The total number of godowns completed were 4177. This has helped to create a total storage capacity of 1.80 lakh Mts. with an outlay of Rs.1,822 lakhs by the end of March 1990.

### **Consumer Awareness Movement**

In the present day complexity of trade transactions the two maxims are widely applicable viz., "Consumer is a king" and "Caveat emptor" (let the buyer beware). But on the other hand, by and large, in the absence of consumer's awareness, unity, lack of legal protection etc. the consumer is more subjected to exploitation in different circumstances by the unscrupulous traders, merchants and other constituents including public undertakings engaged in trade and commerce and rendering services including the public utilities.

The enactment of the Consumer Protection Act 1986 (Central Act 68 of 1986), has provided a legal remedy to such exploited consumers. Earlier to this, in Jan.1980, the Government of Karnataka had constituted a Consumer Protection Board which aimed at imparting education and training to citizens on general issues of consumers' rights and to improve the quality and standard of goods and services offered for sale and to hold the price line of all consumer products. Besides undertaking publicity and propaganda activities on Consumers' protection, the Board also rendered counsel to the Government regarding the measures to protect the interest of consumers. However, the Board became defunct in 1989.

In accordance with the provisions of the Consumer Protection Act 1986, the State Government had constituted the Consumer Protection Council in 1989 for a period of three years. The Council consisted of 48 member with Chief Minister as Chairman. In order to extend legal remedy to the exploited consumers the State Government initially established the Consumer Dispute Redressal Fora in four Divisional headquarters in 1989 with the approval of the Central Government. Subsequently, in order to streamline the functioning of the Fora, 16 more such quasi-judicial bodies known as the District Forum for each of the districts were opened in 1991. As an appellate authority, to the District Forum there is a State Commission in Bangalore with specified jurisdiction where the value of goods or services and the compensation exceeds Rs.one to 10 lakhs. The District Forum has jurisdiction of less than Rs.one lakh.

In order to create consumer awareness widely, there are 38 voluntary organisations in the State whose main objectives are to promote consumer awareness by imparting services like sustained campaign, education, etc.

### **The Institute of Co-operative Management, Bangalore (I.C.M.B)**

The former cooperative Training College (1962) was renamed as Institute of Co-operative Management (I.C.M.B.) in June 1991. It is one of the apex management development oriented institutes in the country for co-operative undertakings. Among other things, ICMB mainly aims at proper development of infrastructural business culture and enterpreneurial skill and ability in co-

operative management by catering to the needs of training and other requirements of top executives of co-operative sector. The main functional activities of the institute include training, research, consultancy and publication. It offers post-graduate programme and higher diploma in co-operative management. The Govt. of India and co-operative enterprises in Asia, Africa and Middle East are making use of the programmes of this Institute sponsored under Colombo Plan, U.N.D.P., I.L.O., F.A.O Fellowship.

Upto the end of March 1993, the total number of persons who received training through the Institute under different faculties is reported as 8,907 including 2,897 Govt. officials, 5,509 institutional executives and 129 foreign scholars. The Institute possesses interdisciplinary multisectoral faculty. The Institute is housed in a well planned and fully equipped spacious complex at Padmanabhanagar covering about six acres, built at a cost of over Rs. one crore.