

CHAPTER VI

BANKING, FINANCE, TRADE AND COMMERCE

I**n****t****r****o****d****u****c****t****i****o****n**: In the process of achieving the economic progress of a region, satisfactory utilization of the local resources is essential. In a result oriented functioning of the local resources, the system of banking and financing play a prominent role. In this context active interplay of human elements like Co-operation, Co-ordination, in trade and commerce etc are also very important. Banking system is the foundation of the modern economic organization. Among the 23 Banks, which started their operations during the last century in the undivided Dakshina Kannada district, it is noteworthy that ten Banks had their origin in the district and seven Banks among them, originated in Udupi town itself is a record. The first commercial Bank came in to existence in Udupi town during 1906. Because of the fact that Udupi district happens to be located in the coastal area, it had been carrying on trade, both internal and overseas, through water routes since a very long time. Therefore, it may not be wrong to state that trade and commerce are the backbone of the economic system in the district. In the sphere of Co-operation also, the district had not only remained in the forefront but also made outstanding contributions, since a very long time. “*The Banking Saga, History of South Canara Banks (1999)*”, is an useful reference book written by Dr. N.K. Tingalaya, (he belongs to the district and is engaged in the studies pertaining to Banking in the district, since four decades), like a mirror it reflects the developments.

BANKING

Before the modern Banking system could take a definite shape during the beginning of the twentieth century, financial transactions like lending, to a limited extent, were being carried on in the then Dakshina Kannada district, which included the present Udupi district. Merchants had to borrow money, at exorbitant interests rates from private money lenders. Local financial organizations had not come in to existence, either to provide for mobilizing the savings from the community or for financing trade. Later on, consequent upon the extensive utilization of financing like personal loans, joint-buying and varied transaction forms came in and trading expanded. It is understood from historical sources that, generally a part of the earnings, obtained from interest on the unsecured loans advanced, was being paid to the temples also. Unsecured loans were known as (*kai-sala*, in Kannada) hand loans. That apart, there are also references to (*mai-sala*, in Kannada) perhaps loans on body, in the ancient inscriptions. Basaruru inscription (AD1506) refers to a gift of the interest on *mai-sala* for the construction of (*Aswathakatte*, in kannada) an elevated circum ambulatory platform around the Sacred Peepul Tree. There are many more such inscriptions in Udupi district. There are instances of receiving/paying interest, at times, in the form of food grains, on the loans advanced in cash. This system is in practice at some places in the district. Money lenders, especially lending money to the villagers, can be seen in the district. It is reliably learnt that, the (*Holi* in kannada) system of advancing loans in the form of food grains, on very high interest rates (certain times 25% to 50%) is being practiced in certain villages in the interior parts of the district. According to this system the cultivator, having obtained rice as loan from the lender on agreement, returned after the harvesting season at the rate of an additional 14 measures (*seru*) of rice for every unit of 42 measures of rice received. That meant, the payment of (along with unit borrowed) an additional one third of the produce as interest, on every unit received. Such grain banks (*davasa koti* in Kannada) existed in several places including Udupi district.

Funds for Mutual Help and the Kuri Funds: Local financial institutions, managing the financial transactions, had attained sufficient popularity in South India before the commencement of the modern banking industry. In those days, when there was need for mutual help, funding institutions begun by some locally influential

people, were engaged in lending money to their members to carry on their trading activities, to meet the urgent financial needs of the families, and unforeseen financial requirements. These institutions were functioning on the basis of definite principles and policies laid down by the members themselves. Vaisyas, a Hindu community was locally known by different denominations, and in the instant context, called as 'Nagartha', were primarily responsible for the establishment of local funding institutions. The functioning of these financial institutions, at several places in India, can be seen even now. The banking Enquiry Committee Report-1929, refers to the functioning of certain '*Kuri*' funds at some places in the district. *Kuri* fund institutions were engaged in collecting fixed amount of money from the members and organizing groups of such members. These *Kuri* fund institutions, depending upon the number of members and the subscribed capital, had also formed different *Kuri* fund groups. Total paid up amount of the respective groups was auctioned and paid to the highest bidder. Later, the bid amount was distributed equally among the members.

Money Lenders: Men with small holdings and agricultural labourers formed the largest section of the rural population. Since a very long time they depended, inevitably, upon the affluent villagers or the professional money lenders for their essential monetary needs. If the '*Holi*' system, as it has already been stated earlier, had enhanced the prosperity of the professional money lenders on the one hand, on the other hand, it had kept the condition of the poor borrowers in perpetual poverty and prolonged exploitations. Generally, money lenders had been advancing loans, at exorbitant interest rates on the basis of promissory note, personal surety or joint-surety etc. They had been advancing loans, on the security of landed property or such other immovable properties only, for a short period of one or two years. In case of non-payment of interest as scheduled, compound interest was being levied. It was becoming impossible to the small farmers to take back, on time, their pledged immovable properties. Although loans could be availed from Banks and such other financial institutions, which had come in to existence subsequently, due to delay in sanctioning and disbursement of the loan, the poor farmers, to tide over their emergencies, were forced to approach the moneylenders who paid the borrowers at short notices by following simple procedures.

Indebtedness: Since there are no detailed or systematic studies and reports to give an idea about the indebtedness in the district, it is difficult to present a clear picture about the economic condition and give a comprehensive idea about the lending system in the district. If it can be said about an ordinary farmer to illustrate the situation, he had to pay, as rent, a part out of his produce to the landlord and, depending on whatever remained, with great difficulty he struggled to maintain the family. Most of the agricultural activities would have reached a stage of completion towards the end of June. During the following three months, except for certain minor and casual works; there would be no occupation for him ensuring a perennial source of income for the small farmer. Inevitably, for their most essential monetary and other needs or loans they had to seek assistance either from their landlords or the professional moneylenders and obtain either money or rice as loan. This kind of *Holi* system was helpful only in enhancing the prosperity of the professional lenders by several folds. Yet, because of the fact government had undertaken the procurement of rice during World War II, *Holi* system had suffered a setback. But after the war, the *Holi* system was continued. At about the same time government also had undertaken a scheme of advancing short term loans to the farmers under its Social Welfare Programme. Some farmers, who had availed loans under the Government scheme, instead of utilizing the loan amount for productive purposes had spent that on house-hold upkeeps, which resulted in their perpetual indebtedness.

The then Government of Madras had sought the British Officer, Sir Frederick Nicholson in 1895, to suggest measures to alleviate the problems of the farmers, after understanding their economic conditions. In this connection, Provincial Banking Enquiry Committee had been set up in 1930. In addition to that during 1934, Dr. P.J Thomas, of the Madras University had also been requested for the follow up. But, their reports did not contain any facts and figures pertaining to Dakshina Kannada district. A.R. Rajpurohith, from the Gokhale Institute of Political Science and Economics, Poona, had undertaken to bring out a model critical study on Thonsepadu village in Udupi Taluk, during 1957-58. In that study it is reported that, on an average each individual of that tiny village had a loan amount of ₹ 111.30 and 84.3% out of the total families in the village were in debt. According to the experimental study report on Naravi village of Belthangadi taluk, issued by the Department of Census of India,

during 1961, each of the families with a monthly income of ₹ 25/- and less, had on an average a debt of ₹ 241/-; while each of the families with a monthly income ranging from ₹ 26/- to ₹ 50/-, had on an average a debt of ₹ 176/- only. Purpose of borrowing is recorded Percentage wise as: 66% of the families had borrowed for domestic expenditure, about 4% of the families for expenses relating religious works, and 4% for purposes of paying rent.

Debt-relief Schemes (prior to 1956): The Government, during Warren Hasting's period, tried to provide relief from debt to the agriculturists, according to the loan-reconciliation rules, on the loans obtained from the affluent classes, through Loan Agreement Committees. According to the rules made by the then Government of Madras, interest rates payable on the loans granted a little earlier to 1885, had been fixed at 12%. The Central Government had brought an amendment during 1889, to the Indian Byelaws. Accordingly, lending and borrowing transactions made under undue pressure or unfair influences, was declared null and void.

But, an ordinary farmer, who was in debt, had no courage to institute litigation in the court under these rules against the money lenders. Government of Madras prevailed on the Government of India during 1906, to bring in legislation to regulate the exorbitant interest rates on money lending. Although the Government of India had brought the Law on 'exorbitant rates of interest on money lending' in to force, it was not uniformly enforced throughout the Madras Presidency. Apart from that, the provisions of the Law were rarely invoked. While facing the world economic recession during 1929-30, and having witnessed the critical conditions of debtors in the villages, it had become imperative and absolutely necessary for the Government to regulate the transactions of the money lenders and initiate appropriate action against them. Accordingly, with a view to protect the debtors with small scale indebtedness of less than ₹ 500/- borrowings, the first lawful Legislative enactment viz., "Madras Debtors Protection Act 1935, had been brought in to force. Under rule IV, of the Madras Rules 1936, the interest rates on secured loans were limited to 9% and interest rates on un-secured loans were limited to 15%. By way of bringing an amendment to the Law on loans to agriculturists of Madras rule XVI of 1935, facilities were provided for sanction of loans for repayment of loans taken from the private money lenders. 'Madras Debt Repayment Act' was brought in to force and opportunities were

provided for amicably resolving issues relating to all loans. On the same model, with a view to provide more relief to the agriculturists, yet another very important legislation '*Madras Agriculturists Relief Act, 1938* was brought in to effect. According to that legislation the amount of loan liability on borrowers, at that point of time, was brought down along with a reduction in the applicable rate of interest. These enactments were enforced in the present Udupi district also, which was then part of the Madras Presidency.

After the Reorganisation of State, The Karnataka Money Lenders Act 1961, and rules 1966; The Karnataka Pawn Brokers Act 1961, and Rules 1966; were made applicable throughout Karnataka from 1966. Under the provisions of these enactments, Registrar of the State Co-operative Societies was appointed as Ex-officio Registrar General of the Moneylenders, at the state level. Assistant-Registrars of the District Co-operative Societies were appointed as Ex-officio Registrars of the Moneylenders and they were invested with the responsibility of regulating the transactions of the Moneylenders at the District level. According to the legislations cited above, to carry on the Money lending activities in the District, moneylenders, at present, should have obtained prior license from the Registrar concerned. Undertaking to transact the money lending business without license is an offence legally. The Government notification issued during 1965 had fixed the interest rates which could be levied by the moneylenders as follows: for secured loan 15% and unsecured loan 18%. During 1966 the administration of the Co-operative Department had been revised. Accordingly, Assistant Registrars of the District Co-operative Societies, and the Sub-divisional Chiefs, were re-designated, as Sub-Registrars of Co-operative Societies, and Assistant Registrars of Co-operative Societies respectively. There afterwards, in addition to Karnataka Moneylenders Act 1961, and Karnataka Pawn Brokers Act, these officials are discharging the responsibility of implementing Chit Fund Act 1982, and Chit Fund (Karnataka) Rules 1982, effectively from 1982. The interest rates that could be levied by the Moneylenders, was revised during 1992, and the Government had fixed the rates as follows: for secured loan 21% and unsecured loan 23%. The State Government, having considered severe drought conditions for three consecutive years during the beginning of the twenty-first century, had revised the interest rates. Accordingly, Government issued a notification during 2003 announcing the following fixed interest rates for secured loan 14% and unsecured loan 16%. According to the

Government rules, Moneylenders and Pawn Brokers had to get their licenses renewed once in every five years. In the then Dakshina Kannada district, which included the present day of Udupi district, there were 24 moneylenders who had obtained licenses during 1966-67. Out of them, while 22 were in Mangalore, the remaining two were in Bantwala. The number of licensed money lenders had risen to 30 during 1971-72. Out of them 27 were in Mangalore, while the remaining three were at Puttur, Udupi and Kundapura. Considerable increase in the number of Money lenders and Pawn Brokers in the district during 2007-08, is noteworthy.

Takkavi Loans: Government had started the short term Takkavi loan scheme for the development of Agriculture, along with the first five year plan. According to the scheme, during 1971-72, a total amount of Rupees 1,63,650/- had been advanced as loan in the then Dakshina Kannada district. Out of that amount, Rupees 74,950/- had been advanced as Takkavi loan in Udupi, Kundapura and Karkala taluks.

Financial Institutions

In the system of unorganized financial marketing sector, apart from Multanis, Private lenders and Pawnbrokers, there are also several established non-banking financial institutions like Trusts, Chit-funds, Finance Corporations etc, engaged in carrying on the non-banking transactions of the district. In addition to these, several organizations from outside the state/district have opened their branches at this centre. These financial institutions provide loans against mortgage, and installment loans, for carrying on business, industry, purchase of machinery, vehicles etc. Attracting the savings from the middle class people by offering several attractive schemes, payment of higher rates of interest, cash incentives and payment of commissions, they mobilize their deposits. Most of the borrowers, who borrow from these institutions, are petty merchants, employees and those engaged in motor transport business. Though these financial institutions are capable of promoting the tendency to save among the people, their unrestricted growth has been responsible, at times, for their own liquidation also. Generally, these registered institutions were either under the Indian Partnership Act 1932, or Company Law 1956. Under the Karnataka Money Lenders Act 1961, the Department of Co-operation (Sub-Registrar of Co-operative Societies at District level) exercises control over these institutions. Thence forward, in Udupi

district also non-banking financial institutions like Private Financial Corporations, Pawnbrokers, Chit Fund Institutions etc, are showcasing their business and indirectly helping the business people and contributing to the economic growth of the district.

COMMERCIAL BANKS

It may be said, on the basis of the available documents that, local financial institutions, of any kind, had not raised the head in the then Dakshina Kannada district, which included the present day Udupi district, before the beginning of the 20th century. The South Canara *Manuals* edited in two parts by John *Sturrock* (1894) and Harold A. *Stuart* (1895) of the yester years also do not give any hint regarding this issue. But, at some places in the Madras Presidency at that point of time, 'Fund' (*Nidhi* in Kannada) or 'Mutual help' financial institutions had taken firm roots as is evident from the 1895 report of Frederick A. Nicholson. That report does not shed any light on the presence of 'Fund' or mutual help financial institutions in Dakshina Kannada district. Because of the fact that there is no reference, in that publication which carries extensive information on several subjects, to local financial institutions in the district, it can be safely assumed that, there were no established financial institutions prior to the 20th century in the then Dakshina Kannada district, which also included present day Udupi district. Before 1905, the local business community depended upon the affluent class of the locality and the Multanis, for their financial requirements or loans.

Before the commencement of the local Banks, in the then Dakshina Kannada district, two Banks from Madras were carrying on their transactions in the locality. Presidency Bank of Madras (1843), established under the aegis of the Government of British East India Company (transformed to Imperial Bank of India 1920, and State Bank of India 1956) had opened (1868) its branch in Mangalore, to serve the needs of British business establishments only. Thereafter, a British Trading organization named G. Arbertain and Company had also started monetary transactions in Mangalore. Having kept the common man at a distance, these Banks were conducting their operations profitably. Arbertain Bank had made investments in American rail transport and Gold mining industry in South Africa. When these industries suffered loss, the Bank was liquidated in 1906. The fall of Arbertain Bank, and the spread of Swadesi Movement

throughout the Nation by that time, had influenced the people of the district and paved way for the establishment of equity based National Financial Institutions. Since there were no restrictions regarding the minimum investment requirements, at that point of time, business people and common man, particularly the educated class, especially Advocates and Physicians had united and came forward to establish local Banks. In those days, establishment of Banks on communal lines had also found encouragement. That type of communal encouragement had helped the Banks, at times, in recovering from financial calamities. The byelaws for the establishment of certain Banks had reserved the right of shareholdings to the members of their respective community or caste.

In the undivided Dakshina Kannada district, Canara Banking Corporation limited (Udupi) was the first National Bank (re-named as Canara Banking Corporation Ltd., 1939; administrative office shifted to Mangalore in 1958; change of nomenclature again, as Corporation Bank Ltd., in 1972; Nationalized during 1980) registered in Udupi town, on twenty eighth of May, 1906. This was followed by the establishment of 'Canara Hindu Permanent Fund Ltd', on First of July, 1906 (changed name as Canara Bank Ltd in 1910; administrative office shifted to Bangalore in 1954; nationalized during 1969). Paangala Nayak Bank Ltd., which was started by the Nayak Community, took its birth in Udupi on Fifteenth of April, 1920. Karnataka Bank Limited, presently one among prominent private Banks, was registered at Mangalore, on twenty eighth February, 1924. Udupi Bank Limited began in Udupi on Fifth of May, 1925. With its name changed in 1961 as Syndicate Bank Limited, 'The Canara Industrial and Banking Syndicate Limited, was one among the two prominent Banks, born on October twentieth, 1925 in Udupi. This Bank which had got its Head office shifted during 1964 to Manipal, (three KM from Udupi) underwent Nationalization during 1969. Vijaya Bank, nationalized during 1980, was established in Mangalore, on Fifth May, 1931. Kundapura Bank limited had started functioning from Kundapura, on thirteenth of August, 1932. Tulunadu Bank Supply Agency had started its operations on October second, 1933. Jayakarnataka Banking and Trading Company Ltd had started functioning from Kalyanapura, in Udupi taluk during November 1933. The Agricultural and Industrial Bank Limited came in to existence in Kundapura during November 1934. During the 1940s, The Southern India Apex Bank Limited, on twenty fifth June, 1942; and Maharashtra Apex Bank Limited during

April 1942, had started functioning in Udupi town. Among the twenty private Banks established in the then Dakshina Kannada district, which included the present Udupi district, ten banks had their origin in the present day Udupi district, a noteworthy factor. For details see table 6.1

Table 6.1: Chronological Order of Banks Originated in Udupi District

Sl. No	Bank's Name	Place of Origin	Date of Establishment	Present Status
1	Canara Banking Corporation Ltd.	Udupi	28-05-1905	1972, Renamed as Corporation Bank; 1980 Nationalised
2	Pangala Nayak Bank Ltd.	Udupi	15-04-1920	Merged with Canara Bank, in 1986
3	Udupi Bank Ltd.,	Udupi	15-05-1925	Closed, 1956
4	Canara Industrial and Banking Syndicate Ltd.	Udupi	20-10-1925	1961 renamed as Syndicate Bank Nationalized during 1969
5	Kundapura Bank Ltd.,	Kundapura	13-08-1932	Closed, 1940
6	Tulunadu Bank of Supply Agency Ltd.,	Udupi	02-10-1933	Closed, 1940
7	Jaikarnataka Banking and Trading Ltd.	Kalyanapura	26-11-1933	Closed, 1936
8	Agricultural and Industrial Bank Ltd.	Kundapura	07-11-1934	Closed, 1953
9	Southern India Apex Bank Ltd.	Udupi	25-06-1942	Merged with Syndicate Bank, during 1953
10	Maharashtra Apex Bank Ltd.,	Udupi	26-04-1942	Merged with Syndicate Bank, during 1953

Growth of Banking and Expansion of Branches: Before 1946 there were no restrictions, what so ever, on Banks opening their branches. In order to achieve better progress in their financial transactions, Banks in the District undertook expansion of their branches during 1920s. During those days, achieving an extensive network of branches was considered a symbol of prestige. Accordingly Banks in the district, by way of establishing their branches at prominent centres of trade and commerce in and outside the district,

succeeded in expanding their transactions. Some Banks, from outside the district, also first opened their branches in Mangalore, the harbour city. Nedungadi Bank Ltd., originating in Calicut, Malabar district; during 1913 happened to be the first national bank, from outside the district, to have opened its branch in Mangalore, during 1920. This branch had carried on its business for some years during 1950s. Thereafter, having kept its business suspended for several years continued its operations during 1982. Canara Banking Corporation Ltd., of Udupi, opened its first branch in Kundapura, the taluk head-quarters. Due to lack of direct road transport in those days, goods were being extensively transported to other places through water routes from Kundapura harbour. Second branch of this Bank was established in Mangalore, during August 1926. The Canara Bank of Mangalore had undertaken the plan for the expansion of branches during 1926. By that time, in addition to four local Banks, one branch each of Imperial Bank of India and Nedungadi Bank were carrying on their business in Mangalore city. The same Canara Bank had established its first branch in Karkala, the head-quarters of the taluk on First of April, 1926, (thereafter, it opened branches in Kasaragodu and Cochin, outside the district). Karkala was already a prominent business centre transporting rice and other food grains to Mangalore.

Banks of the district did not have Savings Bank facility before 1920. Time deposit facilities alone had the currency. The credit of introducing the Savings Bank facility (1920) to the people, for the first time, goes to the Canara Banking Corporation. In the beginning there were several restrictions on the amount of deposits and withdrawals from that account. Lending system of the Banks was security oriented, and as such loans were being advanced only after obtaining sufficient securities. Business loans and *Hundis* were the generally followed systems of loans. In large number of Banks, the business people were prominent among their consumers. Advancing loans on the security of gold jewels was the general practice largely followed by all the Banks. This kind of monetary transaction had facilitated all classes of people to seek the help from Banks, whenever the necessity arose. Progress of Local Banks from 1915-16 and 1926, in the undivided district is given in the following table.

(₹ in Lakhs)

Name of the Bank	Share Capital		Deposits		Advances		Net profit	
	1916	1926	1916	1926	1916	1926	1916	1926
Canara Banking Corporation, Udupi Ltd	0.26	1.98	0.04	6.44	0.35	8.15	0.02	0.25
Canara Bank Ltd	1.94*	3.50	4.33*	25.09	6.17*	9.96	0.31*	0.74
Pangala Nayak Bank Ltd	—	1.50	—	6.04	—	9.06	—	0.30

*31-12-1915 (Note-Canara Enterprises Ltd., information not available).

Source -The Banking Saga, History of South Canara Banks, Dr. N K Thingalaya, 1999.

By about 1926, the first two Banks, in the table appended above, had completed two decades of service. The remaining seven local Banks also had been performing their duties in the then undivided district. Canara Banking Corporation had three branches, all of them within the undivided district, by about 1926. Canara Bank in 1926 was carrying on its activities through four branches, with two of them located outside the district. At that time, Pangala Nayaka Bank (excluding head office) had no branches, and that had established its first branch in 1928 at Mangalore.

Jayalakshmi Bank of Mangalore opened its first branch in 1927 at Puttur. With a view to expand its Banking business, Canara Bank, in 1928, took a bold step to open its branch at Mumbai, a prominent commercial city. By that time, Mangalore, the capital of the district, had developed its business contacts with Mumbai. Right from 1867, steamer service was available for passengers and transportation of goods between Mumbai and Mangalore. Large number of businessmen from Dakshina Kannada had opened their agency offices known as 'pedi' (ಪೆಡಿ) in Mumbai. In order to provide Banking facilities, primarily to these businessmen, Canara Bank had opened its first branch at Mumbai in 1928. Apart from that, it had business contacts with Mangalore-Madras also. From the undivided Dakshina Kannada district Karnataka Bank was the first Bank to open its branch in 1930 at Madras (Chennai at present). Later, Canara Banking Corporation established its branch at Madras during 1932.

To promote savings and inculcate frugality among the common people, Canara Industrial and Banking Syndicate Limited (Udupi) had started its 'pigmy' deposit collections scheme during 1928. Under this

scheme, the Banker would go to the door step of the depositor, collect two annas (in old monetary system one anna=12 Kasu) every day, and return a bigger amount after seven years. As the scheme grew in popularity, over a period of time, other Banks also introduced similar schemes with some modifications under different names. Canara Industrial and Banking Syndicate Limited (Udupi) established its first branch during 1928, at Brahmavara in Udupi taluk. The second branch was established in 1929, at the prominent commercial centre Kumta in the neighbouring Uttara Kannada district. This Bank had established totally 27 branches towards the end of 1936, which included Kundapura (1934), Karkala (1936), and the first branch at Gandhinagar in Bangalore(1933). This Bank's Mumbai Fort branch was established in 1937. At about the same time there were five branches of Canara Bank in Mumbai. The Bangalore branch of the Canara Bank was established during 1933. Agricultural and Industrial Bank established its first branch during 1935 at Baindur (a small sea port town), and the next branch at Koteswara during 1937. Vijaya Bank having opened its first branch in 1936, at Udupi, proceeded to open the branches at Kapu (on the coast, Udupi taluk), and Kundapura during 1937. Catholic Bank had opened its branches at Udupi (1936), and Kalyanapura, Shirva, in Udupi taluk and Kinnigoli in Mangalore taluk (1937) to offer their services to more number of Christians living there. Radha Bank Ltd., from (Calicut) outside the district had opened its branch at Mangalore during 1934 (closed during 1945). In the undivided Dakshina Kannada district the 43 branches functioning in 1936 were as follows: eleven branches of Canara Bank; seven branches of Canara Industrial and Banking Syndicate Limited; four branches of Canara Banking Corporation; two branches of the Vijaya Bank; two branches of the Karnataka Bank; and seventeen branches of the remaining other Banks of the district.

Mangalore and Udupi had been developing, as prominent financial centres in the sphere of Banking, ever since 1930s. Under the leadership of the Imperial Bank of India, clearing house had been established at Mangalore during 1936. At that time the clearing facilities for banking transactions had existed only in 13 cities, throughout India. The Bank of Mangalore had established its first branch in Padubidri during 1937, followed by the Pane Mangalore branch during the same year; and the next branch at Moodabidre was established during 1938. Before its liquidation on August fourth 1940,

Kundapura Bank had established its branches at Brahmavara (1936), and Shankaranarayana (1937). Mangalore Nagarkars Bank had opened its first branch at Bantwal during 1940, and three years afterwards had established its branch at Mangalore harbour. Jayakarnataka Banking and Trading company of Kalyanapura (Udupi taluk), had not only opened its branch in Mangalore during 1940 but also had transferred its Head office to Mangalore and towards the end of 1940 had closed its office at Kalyanapura. During 1941 the Radha Bank of Calicut got merged with the Jayalakshmi Bank at Mangalore. As a consequence of that merger, the branches of the Radha Bank at Kudothi and Mallapuram in Kerala came in to the fold of Jayalakshmi Bank. Jayalakshmi Bank had totally ten branches during 1946, and only two out of them (Head Office at Mangalore, and the branch office at Puttur) were in Dakshina Kannada district. Vijaya Bank of Mangalore had established its first branch at Mumbai during 1944. By about 1946, including eight branches within the district area, it had established totally thirteen branches. Udupi Bank of Udupi had established its first branch in Kalyanapur during 1943; followed by Padubidre branch 1944, Kundapura and Mandakur branches in 1945, and Mangalore branch during 1946. Canara Enterprises, Puttur, had opened its first branch at Vitla, in Bantwal taluk during 1945. Attur and Jawahar Bank had reserved its area of operations to Mangalore city only and had established its only branch during 1941, at Mangalore Kankanadi market place. Canara Industrial and Banking Syndicate had started with one Bank in Udupi during 1942, and yet another bank during 1943. To carry on its banking activities, in the absence of its branches in Tamil Nadu and Kerala, the areas then under their control, Southern India Apex Bank and the Mumbai administration managed to establish Maharashtra Apex Bank. Including the Head office in Udupi, Southern India Bank, towards the end of 1946, had seven branches, one each, at Calicut, Coimbatore, Madras, Payyanore, Taliparamba, and Tellycheri. Branches of the Maharashtra Apex Bank had been established at Sangli, Kolhapur, Karhad, and Rabhakavi. In 1943, both these banks merged with their parent Bank. Bank wise Progress of the Banking Industry, in the undivided Dakshina Kannada district as of 1939 and 1953, is appended in Table 6.2.

**Table 6.2: Progress of Banks in Dakshina Kannada District
as of 1939 and 1953**

(in Lakhs of Rupees)

Prominent Banks	1939		1953	
	Deposits	Advances	Deposits	Advances
Canara Bank Ltd.,	81.22	51.28	791.64	414.53
Syndicate Bank Ltd.,	24.49	24.14	471.51	308.17
Corporation Bank Ltd.,	21.22	19.18	297.28	151.53
Vijaya Bank Ltd.,	2.50	2.47	47.43	34.02
Karnataka Bank Ltd.,	15.34	14.98	66.69	38.84
Others:	—	—	—	—
Catholic Bank Ltd.,	12.01	10.37	64.44	39.20
Jayalaxmi Bank Ltd.,	10.51	11.20	40.24	34.94
Pangala Nayak Bank. Ltd.,	3.50	6.09	17.76	12.35
Agricultural and Industrial Bank Ltd.,	4.38*	2.98*	12.35	18.38
Nagarkars Bank Ltd.,	4.70*	3.92*	13.62	10.67
Bank of Mangalore Ltd.,	1.64	1.94	9.96	6.83
Udupi Bank Ltd.,	0.21	0.42	0.18	1.13
Mulki Bank Ltd.,	0.29	0.36	1.50	1.11
Attur and Jawahar Bank Ltd.,	0.26	0.58	—	—
Jayakarnataka Banking and Trading Company Ltd.,	0.12	0.22	—	—
Pai Money Bank Ltd.,	0.62	3.20	2.72	—
Tulunadu Bank of Supply Agency Ltd.,	0.13	—	—	—

Source: *The Banking Saga, History of South Canara Banks, 1999*

**Table 6.3: Progress of Banks (with Short Lifetime) in undivided Dakshina
Kannada district**

(in lakhs of Rs.)

Name of the Banks	Year of Commencement		Year of Closing	
	Deposits	Advances	Deposits	Advances
Southern Indian Apex Bank Ltd.,	4.84	2.91	14.59	1.33
Maharashtra Apex Bank Ltd.,	24.48	3.40	18.87	5.82
Prabhakar Bank Ltd.,	7.49	4.64	6.58	7.22

Source: *The Banking Saga, History of South Canara Banks, 1999.*

Tulunadu Bank of Supply Agency Ltd., which had opened its branch in Udupi, during 1939, was dissolved during November 1940. Out of the total number of eight branches of the Pangala Nayak Bank Ltd., which existed in 1953, six branches were within the territorial jurisdiction of the district. Prabhakara Bank Ltd., Mudabidre, had closed down, all of its three branches in the district during 1952, and had shifted its Head office to Mumbai. Before its liquidation during 1953, the Bank had two of its branches in Mumbai. Mulki Bank and Pai Money Bank had not ventured to open their branches at all. Towards the end of 1946, out of the total number of 270 branches, 101 branches of the nineteen Banks were established in the district itself. There were 23 centres, having banking facilities, in the district. Mangalore, the district headquarters, had highest number of branches. Udupi (then) the taluk headquarters occupied the next place.

Certain Banks, from outside the district, had started to open their branches, right from 1920s itself, in Mangalore, the headquarters of the undivided district. The Nedungadi Bank Ltd., of Calicut, Radha Bank Ltd., started their branches in 1920 and 1934 respectively; Palai Central Bank Ltd., in 1936 (went bankrupt during 1960s), Travancore National Bank Ltd., in 1934 (renamed as Travancore National and Quilon Bank Ltd., during 1937, dissolved during 1938); Indo-Carnatic Bank Ltd., of Madras in 1936 (closed under orders of the Court during 1939); Bank of Hindustan Ltd., with its origin in Madras, Indian Bank Ltd., and Indian Overseas Bank Ltd., had opened their branches serially, during 1939, 1945, and 1948 at Mangalore. The Central Bank of India, with its origin in Mumbai had opened its Agency Office at Mangalore during 1935, had converted that into a fully fledged Branch Office. Bank of Mysore Ltd., (State Bank of Mysore) in 1957; Devakarana Nanzee Banking Company Ltd (later on renamed as Dena Bank Ltd.) during 1959; Bank of Baroda during 1962; South Indian Bank Ltd., of Trichur, during 1966; Union bank of India during 1967 had opened their branches in Mangalore. Shama Rao Vittal Co-operative Bank of Bombay had opened its branch in Mangalore during 1940s (closed during 1950s). After it became a scheduled bank, it had reopened its branch in Mangalore during 1990, are the prominent among the remaining banks which made their entry after 1969, into the then Dakshina Kannada district.

Post-Independence Developments: Considerable changes have taken place in the banking sector, after India became independent. Most of the developments were in the basic forms. Consequent upon

the impact of the restrictions imposed on the Banking Industry, by the Banking Companies Regulation Act 1949, it became possible to specify the areas of banking and facilitated to strengthen their operations. Reserve Bank of India was empowered to inspect and regulate the activities of the Banking Companies. Permission of the Reserve Bank had become essential for the expansion of the branches of the Banks concerned. Rules of the Banking Act, pertaining to the minimum authorized capital, came in to force during March 1952. It became absolutely necessary for the Banks, with too meager an amount of authorized capital and welfare fund, to be converted in to non-banking companies.

Yet another measure undertaken by the Reserve Bank of India to expell smaller banks with financial instability during 1960s was mergers among such banks. Reserve Bank was eminently successful in effectively carrying out the moratorium on certain banks by their merger, after consent, with the larger banks. This action of the Reserve Bank had enabled to build the Banking business on a strong foundation. Taking advantage of the scheme, five prominent banks of the district managed to absorb other banks, both from within and outside the district, and had succeeded in the expansion of their branches as well as improving their business activities.

In the undivided Dakshina Kannada district, before the introduction of compulsory bank mergers, Radha Bank Ltd., of Calicut merged with Jayalakshmi bank Ltd during 1941; and during 1953, both Southern India Apex bank Ltd., and Maharashtra Apex Bank Ltd., had merged with Syndicate Bank. Nagarakar Bank Ltd., of Mangalore, and Bank of Mangalore Ltd., in 1959; Mulki Bank Ltd of Mulki, Pai Money Bank Ltd of Mangalore, and Catholic Bank Ltd., in 1961, had merged with Syndicate Bank. During 1967 Jayalakshmi Bank Ltd. of Mangalore had merged with Vijaya Bank, and Pangala Nayak Bank Ltd. of Udupi had merged with Canara Bank, during 1968. The following nine Banks, from outside the district, had merged with Canara Bank and the respective years of their merger is as given in the parenthesis: Trivandrum Permanent Fund Ltd. (1899), Bank of Kerala Ltd. (1944), Pollachi Union Bank Ltd., Pollachi (1921), Sri Purnatrayasa Vilasam Bank Ltd. of Tirupattur, (1923), Sesiya Midlands Bank Ltd. of Aleppy (1930), Cochin Commercial Bank Ltd., Cochi (1936), Arnad Bank Ltd., Trichinapalli, (1942), Pandyan Bank Ltd., Madurai (1946), G.Raghunathamul Bank Ltd. of Hyderabad (1940).

Banks from outside the district which had merged with Syndicate Bank were: Sri Rangaraja Bank Ltd., Mettupalyam (1921); Peoples Bank Ltd., of Thirthahalli (1925); Hundu Bank Ltd. Of Karur (1925); Coimbatore Sri Kannika Parameswari Bank Ltd., Coimbatore (1927); Citizens' Bank Ltd. of Robertsonpet (1928); Kaduthuruthai Oriental Union Bank Ltd., (1929); Kotagiri Bank Ltd., Kotagiri (1929); Kothamangalam Namboodari Bank Ltd., Quilon (1929); South Travancore Bank Ltd., of Neyyur (1929); Salem Ammanpet Sengander Bank Ltd., of Salem (1932); Kerala Service Bank Ltd., Trivandrum (1933); Pollachi Town Bank Ltd., of Pollachi (1937); and Asiatic Mercantile Bank Ltd. of Cochi, (1946). Banks from outside the district which had merged with Vijaya Bank were: Jalapuram Bank Ltd., Calicut, (1906); Coonur Subramanya Vilasa Upakara Bank Ltd., of Coonur, (1911); Tellicherry Bank Ltd., Tellicherry (1914); Taliparamba Bank Ltd., Taliparamba, (1923); Devanga Bank Ltd., Bangalore, (1926); Hubli City Bank Ltd. of Hubballi, (1930); Vysa Mercantile Bank Ltd., Ramanagaram, (1930); South Indian Bank Ltd., Ernakulam, (1946). Bank of Citizen Ltd., Belgaum, (1937) merged in Corporation Bank, Chitaldurga Savings Bank Ltd., Chitradurga, (1870), Sringeri Sri Sharada Bank Ltd., Sringeri, (1914), and Bank of Karnataka Ltd., Hubli, (1946) all these were merged with Karnataka Bank. After India became independent, starting with 1951, and continuing as on date are the Economic Development Plans, National Extension plans, changed Industrial policy, extensive encouragement given to commercial activities, growing Urbanization, increased commercialization of Agriculture, improved markets etc, have enhanced the need for the Banking services in and around the cities. As a result the numbers of Bank branches have also increased.

Table 6.4: Details of Banks-Branches in the undivided Dakshina Kannada District

Prominent Banks	Year and No. of Branches			
	1956	1961	1966	1969
Canara Bank Ltd.,	10	10	10	26
Syndicate Bank Ltd.,	28	45	47	72
Canara Banking Corporation Ltd.,	6	6	6	8
Vijaya Bank Ltd.,	8	9	9	31
Karnataka Bank Ltd.,	5	6	8	12
Other Banks	35	22	27	16
Total Branches	92	98	107	165

Source: *The Banking Saga, History of South Canara Banks, 1999*

Progressive Banks in the district had adapted considerable changes in their mode of working. Having foreseen the possibility of better prospects for their Banks in the state capital Bangalore, on the eve of the birth of Karnataka state, Canara Bank shifted its head office in 1956 from Mangalore to Bangalore. Canara Banking Corporation Ltd., (Corporation Bank Ltd., from 1972) shifted its head office from Udupi to Mangalore in 1961. Syndicate Bank of Udupi, in 1964 to a nearby place Manipal, and Vijaya Bank Ltd from Mangalore to Bangalore in 1969, shifted their Head offices. Only Karnataka Bank Ltd. established in Mangalore remained there only.

Table 6.5: Progress of the Banking Industry in the undivided district during 1960s

Year	1962	1964	1966	1968	1970
No of Branches	100	101	107	123	189
Deposits in lakhs	1435	1980	2995	3680	4685
Advances in lakhs	760	1055	1589	1804	2703

Source: The Banking Saga, History of South Canara Banks, 1999

Nationalization of Banks

Having found the Banking services deficient, from the expectations, to the National economy in their varied sectors of activities, Government of India imposed social control over them during 1968, The then newly constituted State level estimates committee had clearly identified the areas of priority which needed increased economic assistance. The committee had also recommended to the Banks to provide additional amount of loans to the identified priority sectors. Thereafter, on July 19th 1969, by the Presidential Ordinance, fourteen major commercial Banks had been nationalized. Later on, this Ordinance came in to force as Banking Companies (industries mergers and transfers) Act 1970. After the enforcement of this social control on the Banks, Banking activities came increasingly under the discipline imposed by the Central Government and the Reserve Bank of India. Private Banks also had to modify and regulate their transactions in accordance with the new discipline. As a result of the systematic regulations brought in to force, from time to time, by the Reserve Bank of India, uniformity among different Banks was achieved in respect of their regulations and interest rates.

Along with the nationalization of prominent banks in the nation, for the first time, a new chapter was created in the history of Banking.

This was a bold step taken by the government to bring organized private financial institutions under their control. Government was eminently successful in utilizing the services of those financial institutions by enlisting their Co-operation in the National Development plans, and providing economic and social justice to the weaker sections of the society, who were a neglected a lot till then. Having identified the economic activities and economic needs of the people, who were hitherto kept outside reach of the Banking services, all Banks have been directed to extend facilities of taking loans on easy terms, and on priority basis to that section of people. Accordingly, unorganized sections were brought into the mainstream of development. Banking services which had remained restricted to a class of vested interests were brought within the reach of the common man and made available extensively by the government formulating its policies, changing its attitude and harnessing its resources. In order to help bringing economic, social changes from the grass root level, beginning with rural areas, and to achieve them, government had not only brought into force several schemes by extending easy loan facilities, but also had made it compulsory for the nationalized banks to provide quantified facilities as a certainty. Among the 14 nationalized banks, two banks had remained in the then Dakshina Kannada, and within the area of the present day Udupi district. Among 560 districts in the Nation, the distinction of being a home to two National Banks goes to Udupi district. Those Banks are Canara Bank and Syndicate Bank. During the year of Nationalization (1969), these banks in the nation had 368 and 355 branches; ₹185/- crores and ₹145/- crores of deposits; ₹125/- crores and ₹105/- crores as advances, respectively. The remaining three prominent Banks continued to remain in the private sector. Among 368 of its total number of branches in the nation (in 1969) Canara Bank had 107 branches in Karnataka and 26 branches in Dakshina Kannada, while six of them were in Udupi taluk, and three each in Karkala and Kundapura taluks. Among 355 branches of the Syndicate Bank at the national level, 219 were in Karnataka, out of which 72 branches were established in Dakshina Kannada district; 24 of them were in Udupi taluk, eight in Kundapura taluk, and nine in Karkala taluk. The middle range Banks of the district – Vijaya Bank Ltd., Corporation Bank Ltd., and Karnataka Bank Ltd., at that point of time, had 114, 78, and 75 branches respectively at national level, while in Karnataka their branches were as follows: 79, 49, and 74. Their branches in Dakshina Kannada remained at 31, 8, and 12. Among them 14 were

in Udupi taluk, and five each in Kundapura and Karkala taluks. These three banks during 1969, held the deposits worth ₹18.71 crores; ₹21.34 crores; and ₹12.54 crores respectively. Vijaya Bank Ltd., Corporation Bank Ltd., and Karnataka Bank Ltd., during 1969 had advances serially- ₹13.01 crores, ₹4.41 crores, and ₹8.90 crores. All banks functioning in the undivided Dakshina Kannada district (15 banks, with 165 branches) during 1969 had a total deposit and advances of ₹40.11 crores, and ₹23.50 crores respectively.

Several changes are noticed in the aim and attitude of Banks after nationalization. Greater importance was given to expansion of Bank branches in rural areas. Lead (*Margadarsi*) Bank scheme had come in to force. Accordingly, Syndicate Bank became the *Margadarsi* Bank of Dakshina Kannada district. Several Banks from outside had opened their branches in the district. At the National level, another stage of Nationalization took place during 1980. Among the six nationalized Banks, Vijaya Bank and Corporation Bank, in the then Dakshina Kannada district were included. Being small in its volume of business, Karnataka Bank continued as a private Bank. But, during the last thirty five years (1969-2005) it has made a remarkable achievement. It had marched forward as a prominent private Bank of Karnataka. Under the supervision of the Syndicate Bank, Nethravathi Rural Bank had been established during 1984. Its operations are limited to the rural areas of the district only. All the Bank branches in the district had developed rapidly. On similar lines deposits and advances had also increased.

In the Banking industry of the undivided district, a new turn is seen during 1990s. Emphasis was laid more on qualitative development rather than quantitative development. Very few new branches were opened in the district. Of late, new generation Banks in the private sector have opened their branches in Mangalore. ICICI, Centurion, UTI, Global Trust (later on merged with the Oriental Bank of Commerce), HDFC, IDBI, and Jammu and Kashmir Banks have opened, one branch each, in Mangalore. Among the 100 prominent Banking centres in the Nation, Mangalore occupies 31st place. As of 2005 there are 152 Bank branches in Mangalore. ABN Amro Bank, a foreign bank, has opened its branch in Mangalore recently. During 1997, the district had been divided in to two districts viz., Dakshina Kannada and Udupi. Table No; 6.6 contains the achievements, in recent years', of the commercial Banks restricted to Udupi district. As on 31-3-2006, of the

total Commercial Bank Branches 134 branches in Udupi taluk; 40 in Karkala taluk; and 52 in Kundapura taluk, were working.

Table 6. 6: Different Banks in Udupi district, with their Branch Details

Name of Bank	Number of Branches	
	31- 3- 1998	31- 3- 2007
Syndicate Bank	60	69
Vijaya Bank	43	40
Canara Bank	24	24
Karnataka Bank Ltd., Corporation Bank	21	21
State Bank of India	27	27
State Bank of Mysore	06	07
State Bank of Mysore	07	07
Bank of Baroda	02	02
Indian Bank	01	01
Indian Overseas Bank	02	03
Union Bank of India	01	01
Central Bank of India	02	02
Punjab National Bank	-	01
Bank of Maharashtra	-	01
Bank of India	-	01
Lord Krishna Bank	01	01
ING Vysya (Vysya Bank)	01	01
Karnataka Vikas Rural Bank	12	11
ICICI Bank	-	01
HDFC Bank	-	01
UTI Bank	-	01
IDBI Bank	-	01
KSFC Bank	-	01
South Canara District Central Co-operative Bank	14	20
Primary Agricultural Development Bank	03	03
Total	227	248

Banks with their Operations in the District

Apart from the public sector banks, the district has also attracted big banks from the private sector. As a result, there is a good balance well maintained among the public sector Banks, Private sector Banks, Regional Banks and Co-operative Banks. The healthy competition among them has ensured several kinds of financial services to their customers.

Commercial Banks: There are 18 public sector banks and seven private sector banks working in the district. Among them Syndicate Bank has largest (69) number of Branches, occupying the first place; the next two placements successively go to Vijaya Bank with (40), and Corporation Bank with (27) branches. After the formation of the district, in the Udupi district the number of branches of the commercial banks were 227 on 31-3-1998; has increased to 248, on 31-3-2007. During the past nine years commercial Banks had opened 21 branches. So far 1,30,749 families had received the services of the Banks; and in rural areas 78.12% of families had availed the services of the banks as reported by N.K Tingalaya.

Branch Expansion: Udupi district happens to be one among districts in the Nation with highly developed Banking facilities. At present, Udupi district is a home for 25 Banks, with a sufficiently wide network of persons who have genuinely repaid debt. From that point of view, Udupi is ahead of other districts having similar economic and geographical conditions. On the national map of Banking, Udupi district proudly occupies the place of having the highest number of Bank Branches.

Branch-wise Average Population: As a result of the programme of forceful expansion of Bank branches, branch wise average population in the district, which stood at 9300 during 1969, fell to 4300 towards the end of March 2006. At the time of the creation of the Udupi district, branch wise average population was 5400 (March 1998). Presently if the National level branch wise average population happens to be 12000, Karnataka's State level branch wise average population is 11000. At the same time Udupi district's branch wise average population is a meager 4300. In the entire nation Udupi district, reflecting the least branch wise average population clearly shows that, the Banking services are within their easy reach to the people of the district.

Population-wise Break-up of Bank Branches: Data pertaining to the Population-wise Break-up of the Bank Branches during 1998 and 2007 in accordance with their respective groups is as follows: Due to their reclassification in to Big Village Panchayats, Towns, Municipalities, the rural and the semi-urban areas during March 2007, there is a fall in the branch average percentages. At present if there are 47 branches in town areas, in semi-urban and rural areas there are 57 and 144 branches respectively. In its 146 village panchayats, the district has got 248 villages. As a consequence,

the average number of villages falling under each branch happens to remain the same. On account of that reason, Banks are able to promptly provide the required financial help to the agriculturists and other villagers engaged in the production of agricultural produce.

Population wise group	31-3-1998		31-3-2007	
	Number	Percentage	Number	Percentage
Rural	144	68	144	57
Semi-urban	66	32	57	24
City	0	0	47	19
Total	210	100	248	100

Nethravathi Rural Bank, Mangalore: When Margadarshi (Lead) Bank Scheme came into force after Nationalization of Banks, Syndicate Bank had got the responsibility of working as Margadarsi bank in the undivided Dakshina Kannada district. According to the Regional Rural Bank Act 1976, Government of India, Government of the State, and Lead Banks, in a pre-accepted ratio (50:25:15), cover their spread in each one or two districts, and rural Banks were established throughout the Nation. Government having decided upon the inability of the Commercial Banks in carrying their burden of bringing out improvement in the economic condition, employment occupation etc, of the rural population, came forward to establish separate Banks which could adopt themselves to the rural conditions. These Banks are reserved to meet the financial needs of the villagers. These Banks provide complete financial help to meet the economic activities of the Village. Delay in the villagers receiving their loans is completely eliminated. As a result of the establishment of these rural Banks, dependency of the villagers on Commercial Banks for their financial needs, is thereby avoided. Moreover, the main aims of the rural Banks lies in the understanding of the shortcomings of the villagers and help promote their economic progress. As a Margadarsi Bank of Dakshina Kannada district, Syndicate Bank had sponsored the establishment of Nethravathi Rural Bank, on October eleventh, 1984. For the welfare of the rural population in the Dakshina Kannada district (including present Udupi district) in general, and particularly for salvaging the economic backwardness of the small farmers and agricultural labourers, the bank has been rendering excellent service. Overall development of the village population, by increasing the agricultural production, and helping to create new employment opportunities in the villages are the primary aims of these

banks. This rural bank has succeeded in achieving its targeted aims. This Bank, presently engaged in its activities in two districts has been running 22 branches. During October 2005, this bank changed its nomenclature as 'Karnataka Vikasa Rural Bank'. The progress of the remaining rural Bank is provided in the table 6.7.

Table 6.7: Rural Banking in the District

Details	As of March during the respective years					
	1995	1997	1999	2001	2003	2005
Branches of Rural Bank	22	22	22	22	22	22
Deposits (in Lakhs)	810.11	1409.14	2544.56	4181.17	5529.11	6386.80
Advances (in Lakhs)	581.19	1124.67	198.92	3705.94	4654.79	5447.72
Profit(+)or Loss (-) in Lakhs Rs	- 56.45	-23.94	+23.24	+83.27	+113.54	+158.67
Staff	94	94	94	94	93	97

Source: Netravathi Grammeena Bank, Mangalore

Karnataka Vikasa Rural Bank: The Regional Bank, called Nethravathi Rural Bank, sponsored by Syndicate Bank, is functioning in the district from 1984. This rural bank was functioning independently till 12-09-2005.

During 2005-06, in the State of Karnataka, four regional banks- Malaprabha Rural Bank, Bijapur Rural Bank, Varada Rural Bank and Nethravathi Rural Bank, were amalgamated sponsored by the Syndicate Bank. Thus amalgamated Regional Rural Bank was renamed as Karnataka Vikasa Rural Bank (KVGB) on 12-09-2005. This bank has got eleven branches in Udupi district. Transactions of the Udupi District KVGB as on 31-03-2007, is as follows:

Details	Total (in Rs. Crores)
Number of Branches	11
Deposits	40.15
Advances	29.89
Advances to priority sector	20.43
Advances to Agriculture	12.34

Rural Banking Highway: About five lakh villages in the nation are yet to receive the services of Banking. At this stage, on the 17 kilometre long Padubidre-Karkala highway, linking National highway 17

and 13, there are nine rural-banking branches belonging to different banks, working at Nandikuru, Kanjarukatte, Belmannu, Kedinje, Nitte and Dhupadakatte. This highway has been identified as Rural Banking Highway, by N.K.Thingalaya, and in his opinion this is a rare example in the entire nation. (Indian Economist-May 2008).

Activities of the Margadarshi Bank (Lead Bank): The responsibility of the business of Margadarsi Bank is vested in the Syndicate Bank of Udupi. All the Commercial Banks, Rural Banks, Private Sector Banks, New Generation Banks, and the Government Departments in the District work on the basic principle of unity, in the implementation of different schemes of the Government under the Lead Bank system, which plays a very important role. In the Udupi district 25 Banks with 248 branches are functioning. The details of the bank branches are appended below:

Rural Branches	Semi-Urban Branches	City Banks	Total Branches
144	57	47	248

District Loan Schemes: Branches of all Banks prepare, annually, branch wise loan schemes relating to their respective spheres of activity. After consolidating all these branch wise loan schemes, the Lead Bank prepares the Taluk level loan schemes and then District level loan schemes. Among these loan schemes, the goal of sanctioning of loans to different spheres will be fixed. Thereafter, the responsibility for the implementation of these schemes and periodical review of their progress is the prime responsibility of the Lead Bank. For their successful implementation, Block Level Banks Committee (BLBC), undertakes extensive discussions on the implementation of schemes, and review of progress etc; the District Level Co-ordination Committee (DCC) would examine district level loan scheme, the progress of the Government Schemes, in addition to discussing and thinking and drawing estimates for the developmental schemes pertaining to the district at its meetings. The District Level Review Committee (DLRC) would review the progress, and discuss about the difficulties at the level of implementation of different schemes, and decide upon the remedial measures. Standing Committees: would meet monthly, review the monthly progress of the different schemes, in their capacity as ancillary units of the DCC. Under the Swarnajayanthi Grameena Rojgar Yojana, the District level SGSY

committee would review the progress; discuss shortcomings in the implementation of schemes. District Level Security Committee, meeting half-yearly, would discuss about the relevant issues and took appropriate steps for their implementation. Apart from these committees already stated, the Manager of the Lead Bank would participate as an active member in the prominent District Level Committee meetings in their developmental programmes of the District concerned. As a representative of all the Banks, he worked to alleviate the problems and worked to find solutions to the issues pertaining to the Banks. Responsibility of the Lead Bank included among other things: collection of the reports, from time to time, from the bank branches, compute them, prepare district level reports and send them to the offices of the Reserve Bank of India, State Level Bank Committees (SLBC), NABARD, etc.

Bank's Service Facilities

Among the service facilities/mobilization of economic resources being provided by the Banks in the district, deposits, loan schemes, Life Insurance, and other Insurance facilities, Credit/Debit Cards, cash transaction services, transfer of funds expeditiously overseas, etc, are included. In the changed Banking scenario, today, Banks as multipurpose media are providing ATM, Core Banking Solutions (CBS), Call Centre, Tele Banking, Internet Banking and Mobile Banking facilities. At present, in Udupi district there are 73 ATMs 96 CBS branches and one call centre. Apart from these, Banks are also providing several people oriented utility services like payment of electricity water bills, Telephone Bills, Reservation of Air way and Railway tickets, Payment of Life Insurance premiums etc. Recently, several Banks have newly started services like (Central Excise/Sales Tax) and Income Tax collection services.

Mobilization of Resources: The Banking system in Udupi district by collecting deposits through different schemes has made an appreciable achievement in mobilizing the savings of the people. Growth in the total savings is better off from year to year. Bank Deposit amount of Rupees 1510 crores, on 31-03-1998, had risen to Rupees 4938 crores, as on 31-03-2007, a three fold increase during the course of nine years. Evidently, average annual deposit in the district had witnessed a growth of 23%. This achievement is due to

the efforts and courage of the Banks in taking their services to those places beyond the ordinary reach of the Banks and their ability in attracting the flow of the income of the Non-Resident Indians to the nation. NRI accounts are a boon to the growth of foreign deposits in the district. Twenty eight percent of the total deposits as on 31-03-2007 are from Non-resident Indian accounts itself is a witness to the statement. Therefore, there is no hyperbole in stating that non-resident Indian Deposits in the district are continuously on their increase.

**Deposits Details as on 31-03-1998 and 31-03-2007,
(Amount in Crores)**

Deposit Details	31-03-1998	31-03-2007
Total Deposits	1509.61	4938.85
NRI deposits	400.29	1370.24
NRI deposit % in total deposits	26.49	28.00

Loan Utilization: Banks have specially exerted themselves to ensure that the resources collected in the district are deployed in to the task of financing the overall development of the district, especially in the priority sectors such as agriculture and agriculture dependent occupations, small scale industry, small scale business, vocational and occupational employees, Education, minor road transport, accommodation and welfare of the weaker sections. Because of the fact that majority of the people in the district are engaged in Agricultural Activities, Land Development, Agricultural Reforms, Power Tiller Purchase, Horticulture Gardens, Rural Godown, Agricultural Clinics, Agricultural Marketing Centres, etc, and there is also scope for lending to non-agricultural spheres as well. In Table 6.8 details of annual deposits, advances, loan-deposit proportion, priority areas, and total loans to agriculture etc, as of 1997-98 to 2006-07, duration are appended. Looking at it, it may be seen that, from March 1998 to March 2007, advances have risen from ₹501.05 crores to ₹2329.07 crores. This is a reflection of bank loans, showing approximately an increase by 4.65 times during the nine years period. During 1998, loan and deposit proportion was 33%. The present day proportion of loan to deposit in the district is 47%. As on 31-03-2007, Commercial Banks, Karnataka Vikasa Rural Banks and Dakshina Kannada District Central Co-operative Bank loan-deposit equation stood at 46%, 74%, and 70% respectively.

Table 6.8: Details of Total Bank Loans in the District

Year end	Deposits	Advances	Deposit/ Loan Proportion	Priority Advances	% Advance to Priority Sector	Agri- culture Advances	Agri- culture Advances %
31.3.1998	1509.61	501.05	33.19	276.26	55.14	48.98	9.78
31.3.1999	1737.58	553.34	31.85	286.30	51.74	62.34	11.27
31.3.2000	2099.60	675.25	32.16	317.73	47.05	76.89	11.39
31.3.2001	2281.92	773.26	33.89	386.90	50.03	98.32	12.71
31.3.2002	2873.52	923.37	32.13	488.65	52.92	87.59	9.49
31.3.2003	3408.07	1011.10	29.67	633.71	62.68	95.96	9.49
31.3.2004	3676.26	1180.35	32.10	757.71	64.19	123.46	10.46
31.3.2005	3903.98	1465.07	37.53	974.26	66.50	170.49	11.64
31.3.2006	4231.50	1825.15	42.13	1231.34	67.47	226.16	12.39
31.3.2007	4938.84	2329.83	47.17	1510.51	64.83	336.35	14.44

Advances and loan deposits proportion etc, comparative position details as of 31.3.1998 and 31.3.2007 is as follows

Deposit Details	Total in Crores of Rupees	
	31.3.1998	31.3.2007
Advances	501.05	2329.83
Loan-Deposit proportion	33.00	47.00
Priority Sector Advances	276.25	1510.52
In total loan priority sector advances vol. %	55.00	65.00
Total advances to Agriculture	48.98	336.35
Out of total loan advances to agri, vol. %	9.77	14.00
Miscellaneous Advances	224.75	1992.72

Loans Given to Priority Sector: Out of the total Bank loans, if the priority sector loans as on 31.3.1998 amounted to 55% (₹ 276.25 crores), on 31.3-2007, that had risen to 65% (or ₹ 1510.52 Crores). That means the volume of priority sector loans had increased five times. Similarly, advances to the priority sector had increased 5.5 times, is indicative of the success achieved by the Banks not only in the priority sector financing but also in providing loan facilities to the weaker sections of the society. The remaining amount after giving advances to different sectors as on 31.3.2007 is listed as follows.

Different Sectors	Total Amount (in crores Rupees)
Advances to Priority Sector	1510.52
Advances to Agriculture	336.35
In Total Advances,% Agricultural Advances	14.00
Small Scale Industries	253.62
Non-agricultural-(excluding Small Scale Industries)	82.73
Advances to Non Priority Areas	833.92
Advances to Weaker Sections	210.21
Out of Total Advances % of Advances to Weaker Sections	9.02
DRI Advances	0.11
Out of Total Advances % of Advances to DRI	0.20
Advances to Women	197.09
Out of Total Advances % of Advances to Women	12.90
Miscellaneous Advances	596.17

Loan Distribution Scheme: For the distribution of loans in the district, the Banking system has tagged the scheme of need based creative mechanism. The Margadarsi, or Lead Bank of the district plays the primary role in this activity. In addition to helping the Banks in the preparation and implementation of the annual loan schemes, it supervises the working of the Banks, cautions and puts them on track. This creative mechanism in the loan distribution scheme ensures systematically providing loans to different sectors for the satisfactory utilization of the potentialities of the district. On the basis of the potential linked district wise credit plan prepared by the National Bank for Agriculture and Rural Development (NABARD), all Bank branches prepare loan schemes annually. This potential linked district wise credit plan paves a meaningful method to the Bank branches to distribute loans in the rural areas. It reflects the primary needs and purposes of the district together with delicate realities and requirements. Potential Linked Credit Plan (PLCP) also provides the knowhow to the Bank branches about several possibilities of their economic activities in the sphere of their working.

District Credit Plan (DCP) for Udupi district is prepared by the Syndicate Bank, which is the Margadarsi Bank for the district, on the basis of a consolidated statement of the annual loan schemes prepared by its branches. This is an annual exercise which has got to be completed before the beginning of every financial year.

The District Apex Bank and the administrative offices of the respective banks supervise the implementation of this scheme. In table 6.9 there is a brief description year wise, from 1997-98 to 2006-07, targets and achievements in the district credit plans. A close observation of this will reveal the volume of advances to the priority sector in the annual loan schemes which was rupees 151 Crores during 1997-98, has risen to Rupees 228 Crores during 2006-07. Similarly, planned expenditure in the Agricultural sector has witnessed a fivefold rise during these nine years. In the plan expenditure on the third and middle level priority sectors also similar increase is seen. During the past three years, if achievements are compared with the targets, achievements excel the targets is really satisfying to note. The direction of the Government of India, issued during 2004 to enhance, two fold, the credit to agricultural sector, had been achieved by the banks in the district within a period of two years only i.e. as on 31-3-2006. To show the increased flow of credit, after the formation of the district, list of loans distributed in different spheres during 1997-98 and 2006-07 is appended below.

Priority Sector	1997-98	2006-07
Primary Sector	35.28	207.74
Secondary Sector	72.34	256.86
Tertiary Sector	43.91	313.57
Total Priority Sector Advances	151.53	778.17
Miscellaneous Advances	197.27	478.66

Rupees in Crores

Different Sectors	Target	Achievement	% Achievement
Agriculture	173.52	207.74	120
Crop Loan	76.57	96.73	126
Small Scale Industries	256.26	256.87	100
Tertiary Priority Sector (Business, Services, Transport, Education, Self-employment)	278.64	313.56	117
Total Advances to Priority Sector	708.41	778.17	111
Miscellaneous Advances	205.90	478.66	235

Table 6.9: District Loan Scheme-Target and Achievements
(₹ in crores)

Detail	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Primary Sector										
Target	37.56	46.87	50.09	56.64	59.10	56.16	63.93	102.63	115.89	173.56
Achieved	35.29	27.28	31.01	39.38	34.49	48.89	82.09	109.85	118.31	207.74
Percentage	94	64	62	70	58	87	130	107	102	120
Secondary Sector										
Target	75.43	93.08	94.51	120.79	128.80	128.15	159.52	168.29	203.58	256.26
Achieved	72.35	67.59	67.95	123.38	95.54	141.67	221.43	281.84	244.02	256.85
Percentage	96	73	72	102	74	111	139	167	120	100
Tertiary Priority Sector										
Target	55.46	66.69	72.88	81.88	93.32	133.17	154.26	194.49	227.38	276.59
Achieved	43.92	75.30	88.89	82.44	107.27	165.45	194.95	239.51	266.70	313.57
Percentage	79	113	122	101	115	134	126	123	117	114
Total Advances -Priority Sector										
Target	168.44	202.64	217.49	259.32	281.21	307.48	377.71	465.41	586.85	706.31
Achieved	151.53	170.17	187.85	245.20	237.50	356.01	492.69	631.20	656.50	778.16
Percentage	90	84	86	95	84	116	130	136	112	110

Achievements in Different Sectors during 2006-07 under District Loan Schemes

Flow of Economic Assistance to Agriculture

1) Loans Granted under Kisan Credit Card Scheme: Kissan Credit Card Scheme (KCC Scheme) is aimed basically at providing, without hindrances, need based, timely assistance, for the agriculturists to meet agricultural expenses. Since that is being advanced in the form of turning loan, the ryots can get that according to their needs, and the way they like. The Kissan Credit Card, once issued, has got a validity period of three years.

₹ in Crores

Banks	No. of Cards issued	Total Loan Amount
Commercial Banks	4965	21.25
Regional Rural Bank	1138	5.67
DKDCC Bank	10284	36.64
Total	16387	63.56

Under the Kisan Credit Card Scheme, in the Udupi district, an achievement of the Banks as on 31-03-2007 is appended in the following table.

₹ in Crores.

Sectors	2004-05	2005-06	2006-07
Crop Loan	47.87	73.10	96.73
Minor irrigation	1.55	2.98	3.47
Land Development	8.16	9.67	12.70
Machanization Farm	2.18	2.41	2.36
Plantation/Horticulture	6.33	—	10.00
Sericulture	0.00	0.03	0.28
Forest Cultivation	0.32	0.12	0.53
Dairying	4.31	2.18	4.86
Poultry Farming	0.76	1.84	2.02
Fisheries	2.99	3.85	7.23
Miscellaneous	9.06	35.74	67.56

2) Seed Loan-Agricultural Sector: Banks offer financial assistance to invest in the agricultural sector with several motives. For example, minor irrigation, land development agriculture, forest cultivation, dairying, poultry farming etc. In the Udupi district, during past three years, the amount of loan advanced by the Banks for agriculture and agriculture dependent jobs is as follows:

₹ in crores,

Sector	2004-05	2005-06	2006-07
Small Industries sector	8.50	5.15	7.25
Handlooms	0.11	0.02	0.06
Rural Industries	0.40	0.11	0.35
Remaining Small Scale Industries	271.96	209.40	249.19
Total	280.97	214.68	256.85

Flow of Financial Assistance to Industrial Sector: Udupi is primarily agriculture based district. But, during the past few years Business and Industry are emerging in to prominence. There are about 5000 persons vocationally engaged in rural handicrafts-like manufacture of ropes, pottery, sewing, black smithy, bamboo works, diamond polishing, gold and silver jewellery, carpentry etc. Additionally, medium scale industries having made an investment of Rupees 56.08 crores, have offered employment to 2960 people. Similarly, 7183 small scale industries having made an investment of Rupees 312 crores, have offered employment to 44076 people in the district. They are engaged in food processing, wood and furniture works, vehicles, Chemicals, tiles, plastics, manufacture of electric appliances etc. Similarly, there are 23 registered industrial co-operative societies. Eight power looms and handloom Co-operative societies are working in the district. Details of the flow of financial assistance to Industrial Sector during the past three years are given below.

Financial Assistance to Other Priority Sectors: Other priority sectors include minor road transport and transporters, Petty business, minor transactions, housing, professionals and the self-employed and education. If the flow of financial assistance is observed, demand for loans is consistently increasing in the housing and education sectors. During the past three years the amount of loan distribution to other priority sectors is given below:

Rupees in crores,

Sector	2004-05	2005-06	2006-07
Transport	29.00	29.71	55.13
Petty Business and Minor Transactions	65.36	67.77	65.63
Professionals/Self employed	12.96	11.99	15.02
Education	10.55	17.63	40.16
Housing	90.09	117.13	115.37
Daily Expenditure	2.04	2.93	3.73
Others	29.50	52.17	18.52

Flow of Financial Assistance to Primary Activities in the District

1. **Cashew-nut Industry:** This is one of the traditional occupations of the district. There are 108 cashew-nut processing industries in the district. They are centrally concentrated in Udupi, Kundapura and Karkala-Hebri. This industry provides employment throughout the year to rural workers. During the year 2006-07, a sum of Rupees 262 crores, had been paid as financial help to the industry.
2. **Sea Fishing:** Udupi district has got about 98 kilometres sea coast, with 6000 square kilometres of fishing area. In this area there are 63 fishing villages with 10 fish landing centres. Prominent varieties of fish harvested here are-Mackerel, Sardine, Catfish, and Prawns. According to the information received recently the total weight of the fish harvested is about 6870 tons, with an estimated value of Rupees 132 Crores. During the year 2006-07, Banks have released a sum of Rupees 723 lakhs as loan to fishing.

Easy Methods of Loan Distribution

By way of providing facilities to the rural poor for undertaking small scale industry/ activities which could earn income is found to be an effective method to address the problem of poverty and empowering them. In addition to giving encouragement to Self-Help Groups (SHG), the best method to empower the rural poor by way of linking the Self-help groups to Banks was taken up as a programme in Udupi district during 1992. This is found to be helpful in empowering the poor, especially the women. The rural population in the Udupi district is 8.81 Lakhs, which is 78% of the total population. Out of this, there are Scheduled Castes/ Tribes 6%, agricultural labourers 11%, total workers 32%. Among the total number of workers, 4.52% are part-time workers. Therefore, there is very good scope in the district for Micro-Finance. Udupi district is again in the fore front in adapting to the practices of Micro-Finance. For the spread of the culture of Micro-Finance, the environment in the district is highly encouraging. *Asika*, *Sree Kshetra Dharmasthala* Rural Development Programme (SKDRDP), *Nagarika* Service Trust (NST), *Navodaya Grama Vikasa* Charitable Trust, *Samagra Grameena Ashrama*, *Jivandhara* Society, Concern for Working Children (CWC), *Namma Bhoomi*, etc, NGOs are encouraging Self-help Groups in the district.

Groups having received the encouragement of some NGOs, in addition to their own savings, utilize the financial assistance given by the organizations. At this juncture, encouraged by the *Sree Kshetra Dharmasthala* Rural Development Programme (SKDRDP), some self-help groups, in addition to providing intra loan facility, have got the characteristics features of the Exchange of 'Agricultural Labourers'. More number of Commercial Banks, Regional Rural Banks and Dakshina Kannada District Central Co-operative Banks are playing the role of loan facilitators. Encouraging the Self-help Groups by way of financial support, through Primary Agricultural Co-Operative Societies, the Bank develops a link with them. Till 31-03-2007, having remained as 14531 Self-Help Groups, among them 10642 groups is linked to financial assistance. The progress achieved in this linkage was as follows.

Details	31-03-2007	31-03-2008
Working Self-help Groups	1881	14531
Self-help Groups linked to Financial Assistance	753	10642
Total Amount of Loan	₹ 141 Lakhs	₹ 6956 lakhs

Role of Banks in the Current Governmental Schemes

Both Central and State Governments have brought into force several loan schemes with financial aid. The main aim of these schemes is the abolition of unemployment and removal of poverty. All schemes have got a uniform aim of creating wealth by using loans along with financial aid. The main aim of these schemes is to lift the poor above the poverty line and help them get profitable employment.

As on 31-03-2007, in Udupi district there were 25622 families Below Poverty Line (BPL), and their geographical distribution is as follows:

Mandala	Scheduled Castes	Scheduled Tribes	Others	Total
Kundapura	1865	1052	5749	8666
Karkala	170	141	1762	2073
Udupi	1345	950	12568	14883
Total	3380	2143	20099	25622

Banks of the Udupi district are actively participating in the following poverty eradication and employment creation schemes of the Government.

a) Swarnajayanti Rural Swarozgar Scheme (SGSY): Government of India has revised the self-employment programme and has brought in to force on April first, 1999 a new programme known as 'Swarna-Jayanti Rural Swarozgar Scheme'. As soon as the programme came in to force, the earlier programmes such as Integrated Rural Development Scheme (IRDP), Trisem, Rural Women and Child Development Scheme (DWCRA), Ganga Kalyana Yojan (GKY), Million Wells Scheme (MWS) were all withdrawn.

The SGSY is an all inclusive complete programme by itself, to organize the poor in to self-help groups, impart necessary training, as required by the groups concerned, loans, Technical Know-how, basic facilities, marketing facilities etc. The primary aim of SGSY is to ensure that the families of the poor are raised above the poverty line within three years from the date of the receipt of financial assistance as loans from Banks, and aid from the Government by way of supplying such wealth which would bring them income. This scheme desires to ensure an income of at least ₹2000/- per month for all those poor families which had received assistance. Possibilities of families desirous of taking advantage of the offer under the scheme either directly or through self-help groups are open.

b) Prime Minister's Rojgar Yojana (PMRY): Prime Minister's Rojgar Yojana is a scheme, which has come in to force from 02-10-1993, to provide loans, inclusive of financial aid, to help the educated unemployed youth with self-employment. Under this programme, unemployed youth are eligible to get a loan, along with a grant in aid, provided they have studied up to a minimum eighth standard, aged between 18 to 35 years (Scheduled Castes/Scheduled Tribes/Ex-service men, Soldiers, Physically Disabled and Women, with an age concession of ten years) if their annual family income does not exceed ₹1,00,000/-. Special consideration is given to those who have undergone training, at least for a period of six months, in any vocational training, in a Government recognized (ITI) educational institution. Reservation (of 22.5%) to Scheduled Castes/Scheduled Tribes candidates and (27%) to other Hindu castes, exist in the Scheme. All activities, except agriculture and agriculture dependent sub-occupations like the raising of crops and purchase of fertilizers etc, fall under the scheme. Apart from that, they can undertake any industry/service/business (ISB) activities, not exceeding an expenditure of ₹2,00,000/-. District Industrial Centre takes the responsibility of the Secretary of the Centre in implementing this programme. The beneficiaries of the programme 15% investment subsidy are available subject to a

maximum ceiling of ₹12,500/-. If there is a loan limitation of ₹2,00,000/- to the business and service oriented activities, for industrial activities a linked-loan of ₹5,00,000/- can be advanced. Individuals with eligibility to get the loans may together get financial help to set up industry not exceeding planned expenditure of ₹10,00,000/-. Under this scheme there is no need for secondary securities, in respect of ₹5,00,000/- for industries, and ₹2,00,000/- advanced on business and service sectors.

c) Swarnajayanti Shahari Rozgar Yojana (SJSRY): This is a Central Government on-going programme, being implemented in the city centres of the district. The aim of this scheme is to provide remunerative self-employment or daily wages to the poor people, below the poverty line, living in the cities. Therefore, there are two programmes under the scheme viz., City Self-employment Scheme and Daily Wage Employment Scheme for City Dwellers. Under this programme family income should be below the poverty line, part-time workers having studied up to IXth standard or unemployed youth a sum of ₹ 50,000/- would be given as Bank loan along with a subsidy of 15% on the expenditure of an industry named under the scheme. Those who are desirous of availing the facility have to invest 5% only of the initial capital. Even if they have agreed to a partnership, the total estimated expenditure of the industry should be in accordance with limitations as applicable to the individual concerned. For the urban poor women desirous of undertaking self group employment, the scheme provides special incentives. Each group, with a minimum of 10 women members, is eligible to receive Rupees 1.25 lakhs, or 50% of the estimated expenditure on the industry, whichever is least. For those enthusiastic industrialists selected under the scheme government imparts training. Local administrative organization in the city takes up the responsibility of the chief worker for implementing the programme.

d) Women Entrepreneur Scheme: This new scheme, having begun in 1996-97, aims to assist the women entrepreneurs with a loan along with subsidy, of ₹1,00,000/- to undertake business and service oriented employment. Subsidy is limited to 20% of estimated expenditure on employment. But, Scheduled Castes/Scheduled Tribes, physically challenged and widows are eligible to an increased subsidy of 30%. Annual income of the beneficiaries should be ₹25, 000/- or less. The responsibility of implementing the scheme devolves on Women and Child Welfare Department of the Government of Karnataka.

e) 'Self-Help' Soft Loan Scheme: For eligible persons, under this scheme, financial aid is being given to business promotion, establishment of small scale industry, service industry, Agriculture etc, activities. Eligibility according to the scheme, applicant should have been born or be a true resident of Karnataka, and belong to religious minority groups, and the annual income of the family should not exceed ₹22,000/-. The applicant should possess the required proficiency and experience to establish their own business or profession. Karnataka Minorities Development Corporation will identify the applicants and send them to the Banks concerned to examine the possibility and profitability of the industry which is being undertaken.

f) Potentiality Based Loan Scheme: Under this scheme, Backward classes and Minorities Development Corporation gives a subsidy of 50% to the beneficiaries on the investments of not exceeding ₹50,000/-, made on their industrial undertakings. They are also assisted to obtain loans from Banks and different financial organizations for various beneficial activities like industry, service industry and such other business areas.

Flow of Government Financial Aid under Different Schemes: Banks of the Udupi district have actively participating in all schemes sanctioned by the Government. Apex district office coordinates the activities of the Banking and governmental organizations in the implementation of these schemes. Under the schemes sanctioned by the government, the administrative offices of the bank branches concerned execute the work, after keen observation and providing necessary directions. Total amount of loan disbursed under different schemes sanctioned by the government is appended below.

(Rupees in Lakhs)

Scheme	2004-05		2005-06		2006-07	
	Beneficiaries	Total	Beneficiaries	Total	Beneficiaries	Total
SJSRY	Group 62	258.00	Groups 52	213.00	Groups 61	179.66
	persons 64		persons 69		Persons 37	
PMRY	395	272.05	418	272.08	414	318.32
SJSRY	8	3.50	8	4.00	27	6.78
WES	6	3.00	6	3.50	23	10.98
Chaitanya	46	2.10	123	4.03	164	99.98
Self Help	16	1.62	53	3.58	108	41.14

The Essence: Udupi district, which had been instrumental in the emergence of 10 Banks before independence, by dedicating two National Banks has demonstrated its excellence in the Banking Industry. It is really praiseworthy that Commercial Banks, Co-Operative Banks, Regional Rural Banks, and Private Banks, through healthy competition, have penetrated each and every village of the district. The greatest achievement of the Banks in Udupi district lies in extending varied Banking facilities to the largest number of people, that too especially to the villagers. Apart from city and rural areas, the Banks have succeeded and remarkably mobilized resources from the NRIs and channelised those resources promptly and effectively for the all round development of the district. Banks have made a great contribution for the development of all spheres of activities-Agriculture, Industry, Business, Transport and Communication, Housing, Education, Service industries etc. Encouraging traditional activities of the district like Fisheries, Cashew-nut Industry etc. Banks have been instrumental in gaining foreign exchange, on one hand. On the other hand, touching every aspect of economic change the Banks have become successful channels for the implementation of all schemes sanctioned by the government, giving encouragement to self-help groups, fully participating in the developmental programmes of the Dalits, weaker sections, and women, and providing social justice. To put it in a sentence, Banks have shared the problems of life of the people in the district and worked for their welfare by extending their whole-hearted Co-operation, encouragement and there by accelerated the development of the district, as evidenced by the facts and figures.

Activities of the NABARD Bank

The organization called National Bank for Agriculture and Rural Development (NABARD), through banks, other associations, and organizations participating in different plans, has continuously extended its Co-operation in the implementation of developmental activities in agriculture and rural development. NABARD has taken up the responsibility of extending refinance facility to the Banks, supervision of Co-operative and Rural Banks, and their refinance. NABARD gives financial assistance to several NGOs, Self-help societies, Bank employees, Government officials, and others desirous of gaining self-employment, for vocational training activities and agricultural conventions in the district. District level officers of the NABARD organization always with the co-ordination of Bank and other

associations and organizations; jointly work to achieve the development in the rural areas. Representatives of the NABARD organization are performing their duties in each of the districts. At present, the NABARD representative of the Dakshina Kannada district is discharging the duties of the representative of the Udupi district. Every year, starting with 1988-89, they are formulating Loan schemes based on the capability and potential. Complimenting the schemes of Bank loans NABARD works as a pathfinder.

Details of Loan Schemes in Udupi District. (₹ in Lakhs)

Crop loan	2003-04	2004-05	2005-06	2006-07	2007-08
	Target	Target	Target	Target	Target
Medium Term Agricultural Loan crop season	6017.00	6402.81	12690.13	11914.50	14358.00
Long Term Agricultural Crop Loan	-	-	-	-	8354.05
Industry	18543.25	25928.00	28570.00	24266.80	29551.65
Other Priority Sector	14550.00	20676.25	33022.50	26728.75	32703.75
Total Priority Sector	39110.25	53007.06	74282.63	62910.05	84967.45

Having realized the prominent role of basic infrastructure in rural development, the Government of India had established, Rural Infrastructure Development Fund (RIDF) during 1995. The NABARD took over the responsibility of administering the Fund. Resources for the Fund are mobilized from Banks and other Financial Institutions.

NABARD advances, from this Fund, loans on long term basis to the State Government for implementation of many of their rural infrastructure development programmes. Under the programme, Udupi district has an estimated expenditure of Rupees 81.95 crores, on about 330 different schemes and as on date Rupees 72.94 crore loans has been released. The lion's share (67.2%) under the plan had been expended on the construction of rural roads and bridges. Other prominent schemes like class rooms, construction of Anganavadi Centres, minor irrigation, irrigation wells, development of water bodies, rural drinking water facility, construction of rural primary health centres, rural marketing system, etc, have availed the benefit under RIDF.

Other Activities of the NABARD

1. Ryot (Farmers) Associations: Conditions up to 31-03-2006

NABARD has patronized 56 Ryot Associations in the district. As on 31-03-2006, it has encouraged, through Ryot associations, the implementation of 56 programmes by way of extending financial aid to the tune of Rupees 95947/-

2. Progress Achieved in Extending Re-finance

Sl. No	Year	Investment Loan	Production Loan, Bank*	Rural Bank#
1	2003-04	988.00	845.00	215.00
2	2004-05	1184.00	845.00	337.00
3	2005-06	641.00	-	00.00

* From 2005-06 refinancing comes directly to Dakshina Kannada District Central Co-operative Bank. Therefore the Bank detail itself is given

Up to 2004-05 previous Nethravathi Rural Bank, and 2005-06 Karnataka Vikasa Rural Bank s' branch details are given.

3. RIDF- Rural Infrastructure Development Fund

Amount expended under the scheme as of 31-03-2006 (₹ in Lakhs)

Sanctioned plan details		Plan expenditure		NABARD loan		Employment creation	
Schemes under progress	Schemes completed	Schemes under progress	Schemes completed	Schemes under progress	Schemes completed	Schemes under progress	Schemes completed
192.00	163.00	4155.40	4188.55	3653.01	3772.20	20.78	20.94

Women Empowerment (Stree-Shakti) Scheme

Women Empowerment Scheme had been implemented in Udupi district with effect from the financial year 2000-01. Empowering women economically and socially through rural women Self-help Groups is the aim of the scheme. The details of the working women self-help groups as on 30-06-2007, is as follows:

(₹ in Lakhs)

Sl. No.	Details	Udupi	Kundapura	Karkala	Total
1	Groups	1090	970	580	2640
2	Number of Members	16130	14456	7979	38565
3	Savings till June 2007	5.74	5.90	2.00	13.64
4	Internal loan till June 2007	11.00	15.00	6.43	32.43
5	No. of Groups with Bank linkage Amount	9043.98	8053.84	4601.35	21749.17
6	Total Amount of Repayment	3.40	2.23	0.95	2.58

Other Details of the Groups

(₹ in L akhs)

Sl. No	Taluk	SGSY		Women & Child Development Dept		Groups engaged in producing income	
		Group	Amount	Group	Amount	Group	Activities
1	Udupi	30	30000	1020	510000	721	Jasmine cultivation, vegetables, dairying, business, bakery
2	Kundapura	7	7000	918	459000	662	Agriculture, vegetable, dairying, business, bakery, sewing
3	Karkala	11	11000	547	273500	398	Jasmine cultivation, vegetable, dairying, business, bakery, sewing

Micro-financing and Banks

Udupi district is in the fore-front in adapting itself to the system of Micro-financing. Circumstances in the district are favourable for its development. There are several NGOs and organizations encouraging the Self-Help Associations (SHPI) are engaged in the district. All Banks in the district are advancing loans to the self-help groups. The Department of Women and Child Welfare is sponsoring the 'Sthree Sakthi' groups. There were 14531 self-help groups in the district as on 31-03-2007, increasingly sponsored by the institutions like Navodaya Trust and Dharmasthala SKDRDP. Out of them, about 10642 groups have maintained loan contacts with the Banks.

Description of Micro-finance in Udupi District

1	Taluks and Blocks in the District	3		
2	Blocks for Self help Groups	All three Blocks		
3	Number of NGOs	7		
4	Number of NGO engaged in loan scheme	5		
5	Total Number of Bank Branches	Commercial Banks 207	Rural Banks—11	Co-Operative Banks-20
6	Bank Branches engaged in loan facilitation	154	11	20+51(Primary Co-operative Service Centres
7	Participating Govt. Dept and Other organizations	-	5	
8.	Participating Other Organizations		2	-

NABARD Micro-Finance

NABARD is playing a prominent role in Micro-Financing of the Self-Help Groups, under the following schemes.

- a) Establishment of Self-help groups;
 - Implementation of researches/spread of new messages,
 - Preparing the outlines of possibilities and probabilities
 - Encouragement to NGOs and Self-help organizations
 - Programme of propagation
- b) Encouragement to training programmes
- c) Active participation in loan sanction programme
- d) Special study, collection and propagation of findings
- e) Progressive achievement of self help groups and encouragement to NGOs and Micro - finance institutions
- f) Helping the completion of economic activities programmes.

Banks and Micro-Finance

Banks by extending loan facilities to the NGOs have indirectly been responsible in giving loans to the self-help groups. Out of seven NGOs in the district, five NGOs have actively participated in loan dispersal and micro-finance schemes. Prominent among them are: SKDRDP, Navodaya Trust, Mangalore and Citizens' Service Trust.

NGO / Self-Help Organizations

Udupi district has got fine environment required for the growth of Micro-Finance. NGOs/ Self-Help Groups are performing their duties excellently. Prominent Organizations in Dakshina Kannada and Udupi district are listed below:

1. Sri Kshetra Dharmasthala Rural Development Plan SKDRDP, Dharmasthala, Dakshina Kannada district,
2. Citizens Service Trust, Guruvayanakere, Belthangadi taluk, Dakshina Kannada district,
3. Navodaya Gramavikasa Charitable Trust, Mangalore, Dakshina Kannada,
4. Jeevanadhara Society, Korangrapadi, Udupi District,
5. Samagra Grameena Ashrama, Kapu, Udupi district,
6. Concerned for Working Children (CWC), Kundapura, Udupi district,
7. Agency for Development of Awakening and Rural Self-Help Associations (ADARSH), Moodabidre, Dakshina Kannada district,
8. Spoorthi, Keduru, Kundapura,
9. Bharatiya Vikasa Trust, 'Anantha' Perampalli, Shivalli, Udupi,

Training Centres : Banks in the district have established several training centres –in Industry, Business and Technology, information for service oriented schemes and for Agriculturists, Artisans, and Educated unemployed, to impart training in order to achieve industrialization, participation in developmental programmes and to reap the benefits of economic development. List of training centres established in the district are listed below.

S1 No	Name of Training Centre	Place of Training	Sponsoring Bank/ Institution
1	RUDSET, Rural Development and Self Employment Training Institute	Brahmavara Udupi taluk	Syndicate Bank, Canara Bank, & Sri Dharmasthala Rural Development Institution
2	SIRD Syndicate Industrial Rural Development Organisation	Manipal	Syndicate Bank
3	Sri C.A.Kamat Rural Artisans Training Institute	Village Miyyara, Kudaremukh Road, Karkala,	Canara Bank

CO-OPERATIVE MOVEMENT

The Co-operative attitude in the life of man has emerged as a basic principle right from the beginning stage of civilization. But, the special meaning of its activities with economic overtone is of recent origin. Co-operation is the path to resolve the social and economic inequality manifesting out of the ups and downs in the economy. The aim of the movement is to engage the needy people in Co-operative transactions having a common goal of reforming by improving their economic conditions. The original aim of Co-operation is self help through mutual Co-operation. "One for all, all for one" is the slogan of the Co-operatives.

Co-operative movement which began in Dakshina Kannada district during 1909, through Co-operative Societies Registration Act of 1904, has a good tradition in the district of encouraging systematic programme of activities. Though the movement was initially confined merely to the setting up of Agricultural Co-operative Societies for giving loans, the Co-operative Act of 1912, became instrumental in encouraging the growth of non-agricultural and non-credit Co-operative Societies. As a result, the scope and area of operations of the movement widened. The Apex or the Central Financial Aid Organizations, which were being established from time to time at the district level, cooperated in the progress due to the encouragement of this Co-operative movement. In the economic system of the district this sphere of Co-operation has assumed a special significance, and had accelerated the activities of agricultural loans and interrelated schemes complementing the overall growth. Udupi is also one among very few districts aggressively progressing in the sphere of Co-operation in the state. This sphere has exerted deep influence on the economy of the district. Under the Co-operative Societies Act 1904 of the Government of India, the first Co-operative Society was established in 1909 at Puttur in Dakshina Kannada District. Under the leadership of D. Molahalli Shivaraya, well known as the father of the district Co-operative movement, this society had come in to existence. D. Molahalli Shivaraya, had not only set the Co-operative movement on the move, in the then Dakshina Kannada District, but also played a prominent role in having kept it on the move for several decades. Progress of the Co-operative movement was slow in the then Dakshina Kannada District, till the passage of the Co-operative Act 1912, which provided for the establishment of multi-purpose Co-operative Societies.

Till the end of the year 1912-13, merely 15 Agricultural Co-operative Credit Societies, one Urban Credit Co-operative Society, and one Agriculture Grain Bank had been established in the district. Since the Co-operative Act 1912 had made way for the establishment several new Co-operative Societies in the district, throughout the then Dakshina Kannada district several new societies had been organized. With the aim of providing financial help to all Co-operative societies in the then undivided Dakshina Kannada district, the responsibility was entrusted to the first Rural Credit Co-operative Society at Puttur. Later on, on November 30, 1913, a separate Central Co-operative Bank had been organized in Puttur, and through that Co-operative Bank arrangements were made for the disbursement of financial assistance to all Co-operative Societies in the District. Accordingly, the Head-Office of Dakshina Kannada District Central Co-operative Bank Ltd., was first established in Puttur. It started its business on 24th January, 1914 (during 1927 Head Office was transferred to Mangalore). It had achieved remarkable progress, from the beginning, and had gained momentum. At several places in the district, Co-operative Unions were started, locally, in 1919, and next during 1923 a district level supervisory organization, over these unions, was established. This district level supervisory organization was established with the aim of controlling Co-operative unions, to maintain healthy and satisfactory balance in their activities, apart from imparting training in the matter of Co-operation to the private individuals who had started working for the Co-operative movement. But, since that did not satisfactorily carry out work, it was abolished during 1931, and its activities and responsibilities were entrusted to the administrative committee of the District Central Co-operative Bank. Supervision Fund, which was being collected from all Co-operative Organizations, was transferred to District Central Co-operative Bank and arrangements were made to disburse the salary etc. to the officials working in the local Unions.

The Labour Department, Madras Government, had undertaken public works in Dakshina Kannada district during 1923, and simultaneously, for the welfare of workers of the weaker sections and Backward Classes had organized, Labour Co-operative Societies. Towards the end of 1926-27, in the district there were 80 such Co-operative Societies. With its membership standing at 1806, with a paid up share capital of ₹7605/-. By the time of 1934-35, there were 93 Labour Co-operative Societies in the district, out of them 14 were reserved for Fishermen, functioned under the supervision of the

Department of Fisheries while the remaining 79 Adi-Dravida Co-operative Societies, working under the supervision of the Labour Department, were transferred to the control of the Co-operative Department. People had lost their dwellings as a result of floods during 1923-24, and in order to mitigate their sufferings, Housing Co-operative Societies came to be established at about the same time. Kotecherry (now in Kasaragod district) Credit and Business Co-operative Society, had started its activities during 1932-33. That had undertaken to advance loans on the mortgaged products. District Central Co-operative Bank itself was extending financial assistance to all these Co-operative Societies.

Beginning in 1909, in the then Dakshina Kannada District, the Co-operative movement had spread aggressively during the subsequent decades and was responsible for the establishment of several Co-operative Societies. Agricultural Credit Co-operative Societies in the district had progressively increased, step by step, the amount of loan which was being given the agriculturists to pay off their loans carrying excessive interest and to bear the annual expenditure on their agricultural activities. As a consequence of establishing other Co-operative Credit Societies, not only their members got several benefits of different types, but also eligible persons could get loans at a lower rate of interest to develop their businesses, industry, and such other purposes. Persons who were borrowing money by paying interest at the rate of 15% to 20%, a few years ago, now got the required loans from these Co-operative societies at a lesser rate interest ranging from 6.75% to 9.00%. Due to the influence of the Co-operative movement, the prevailing rates of interest on the private loan transactions got reduced to a considerable extent and several borrowers liberated from the clutches of the professional money lenders. The 'Townsend Committee' of 1927, constituted by the then Madras Government, reviewed, up to date, the overall achievements of the Co-operative movement and had formulated certain basic principles for its future progress. After a critical appraisal of the recommendations made by the committee, the Government came forward to introduce a separate legislative enactment pertaining to the Co-operative Societies. Accordingly, the Government of Madras had introduced The Madras Co-operative Societies Act during 1932, and Madras Land Mortgage Banks Act during 1934. For initiating reforms in to the activities being performed of the Co-operative Societies, The Vijayaraghavachari Committee had prepared a significant report and

submitted that to the Government during 1939.

Executive workers of the Co-operative Movement, for giving publicity and propagation, had toured all over the district, in groups one after the other, and some News Papers had also published write ups, and articles about Co-operation by way of providing appropriate publicity. As a consequence of the incessant efforts of the Co-operatives, by about 1920s, 227 Co-operative Societies had come to be established in the then Dakshina Kannada district which included the present Udupi district. Their number had risen to 418 during 1927. Gradually, encouragement was found, in the district, for the establishment of the Non Credit Co-operative Societies. That type of Primitive Co-operative Society, said to be the FIRST of its kind in India, was established in Mangalore. But, that was closed down within a few years. The Government had also recognized the services rendered by the local Co-operatives, right from the beginning of the Co-operative Movement, and had given expression to its appreciation. The Royal Commission on Agriculture, while highlighting the greatness of Co-operation at that time, bringing on record the progress achieved in the district had pointed out that, "Dharwar district in the Mumbai presidency, and Jullander district in Punjab, 25% of their total population, and 20% in the total population of the then Dakshina Kannada district were in the sphere of Co-operation".

Due to worldwide economic depression, Co-operative movement in the district suffered a temporary set-back during 1927-34. There afterwards, Co-operative movement had regained its momentum and moved on progressively. Number of Member societies of the Dakshina Kannada District Central Co-operative Bank began to grow gradually. The number of member Societies which was 313, in 1939, had increased to 437 during 1944 and to 480 during 1949. During the Second World War, the Government of Madras introduced control on the movement of food grains. Accordingly, in the then Dakshina Kannada district, compulsory procurement of rice, purchase of paddy, and the distribution work of food grains to the consumers through rationing system, was undertaken with the help of District Primary Credit Co-operative Societies and the Central Stores. During the commencement of the First Five Year Plan (1950-51), in the then Dakshina Kannada district (including Kasaragodu taluk), there were 349 Agricultural Credit Co-operative Societies (including 51 Adi-Dravida Co-operative Societies, and 520 villages in the district had

been brought under "Co-operation" net work. Towards the end of the First Five Year Plan, the number of Agricultural Credit Co-operative Societies had not only increased to 448, but also the number of villages which had been brought under the banner of Co-operation had risen to 561. During the period the total number of Members in the Co-operative Societies had risen from 29,305 to 45,738, total share amount from ₹3,50,718 to ₹7,55,000. Towards the end of Second Five Year Plan, all the villages in the district (excluding five villages) and 58620 families of the agriculturists had been brought under the umbrella of Co-operation. If the non-agricultural members were included in this count, then the total number of families which were brought under the umbrella of Co-operation would be 65130. The share capital of the Co-operative Societies was ₹2,00,99,198/- and the total amount of loans advanced was ₹1,08,71,487/

In the then Dakshina Kannada district, the programme of organizing large-scale Co-operative Societies had been undertaken, effectively from April first, 1959. By that time there were already 29 larger Co-operative Societies, and they were continued. Some of the weaker Co-operative Societies in the district were revived in the routine process of organization. About 175 Service Co-operative Societies were revived. During the same period, six Taluk Agricultural Produce Marketing Co-operative Societies were started. They were along with the marketing of agricultural implements; seeds for sowing, fertilizers, pesticides etc, at fair prices were advancing crop loans. Additionally, they had also engaged themselves in the procurement of agricultural produce from the members and organizing its marketing. The Government, with a view to revive some weaker large-scale Co-operative Societies, and encourage Agricultural Produce Marketing Co-operative Societies, was offering financial aid and loans facilities. Money was also being given for the construction of godowns. Accordingly, five medium-sized godowns and two rural godowns were constructed in the district.

After States' Reorganization, a comprehensive uniform Karnataka Co-operative Act 1959 was enforced throughout the state, effective from 1960, bringing in massive changes in the sphere of Co-operation. Till then the Department of Co-operation, which had not received any financial help, had only government's limited encouragement and Co-operation. For the entire District there was only one

Sub-Registrar, carrying out the duties. After the birth of Karnataka State, the Co-operative movement got increased encouragement. Since the Co-operative movement was being encouraged throughout the Nation it was adapted here also. This was followed by the establishment of several Co-operative Organizations. For the benefit of the agriculturists a Co-operative Sugar Factory, for marketing of the Horticultural crop products like betel-nut, Coco, a Central Betel-nut and Coco Processing and Marketing Co-operative Organization (CAMPCO) had come in to being and today it is functioning as a huge organization and by way of establishing Chocolate factory, it has come to occupy the foremost place in the Co-operative movement in the Nation.

Towards the end of June 1966, the number of members in the then Dakshina Kannada district Co-operative Societies was 70340. They had a share capital of ₹ 38,41,584/-, and had advanced loans amounting to a sum of ₹ 1,48,52,903/-. For the storage of agricultural produce about 63 godowns had been built. Land Development Banks were functioning in every taluk. Apart from that, Land Development Banks in Puttur, Bantwal, Sulya and Karkala had been directed to disburse necessary loans under the top priority programme to ensure the development of horticultural crop betel-nut in those areas. Under the encouragement scheme of the Central Government, organization of Co-operative Stores had been undertaken. For the supply of necessary articles to the Co-operative Societies, the Dakshina Kannada Central Co-operative Whole-sale Marketing Store began to function as a whole-sale organization. Taluk Agricultural Produce Co-operative Marketing Societies undertook to supply the required articles, at the whole-sale rates to the Primary Credit Co-operative societies in their respective taluks. Service Co-operative Societies in the District entered in to retail business of consumer products. State Co-operative Apex Bank, District Co-operative Central Bank and Rural Co-operative Societies began to function as agency organizations and sanctioned medium term loans to the agriculturists for the purchase of pump sets for irrigation purposes. Accordingly, towards the end of June 1968, under the programme of rural electrification, a sum of ₹ 24,50,366/- had been sanctioned as loan for 1418 pump-sets under 193 Co-operative societies. State Electricity Corporation also had formulated a scheme for the supply of electricity to the irrigation pump-sets. Agricultural Refinance Corporation had sanctioned long

term loans to the State Land Development Bank for the implementation of the scheme of 'Irrigation Wells'.

During the Fourth Five Year Plan, many more schemes were started to provide more help to the agriculturists. Accordingly, money was released with the aim of providing financial assistance, grant, Joint-Share Capital, sanction of loans, etc, to Co-operative Societies at different hierarchies. On that basis the office of the Assistant Registrar of Department of Co-operation had been established. In the then Dakshina Kannada district, during 1972, there were totally 923 Co-operative Societies (including 58 wound up societies), with 631 Co-operative Societies in the Mangalore circle, and 292 Co-operative Societies in Puttur circle. Including Co-operative Fish Marketing Federation, there were about 35 Fisheries Co-operative Societies in the District. They were under the jurisdiction of the office of the Deputy Director, District Fisheries Department. Towards the end of 1970-71, 1,16,780 agricultural families had been brought under the banner of Co-operation. The net Share amount collected by the Co-operative Societies was a sum of ₹ 75,56,000/- out of that ₹11,89,200/- was the share capital investment made by the Government.

The Government during 1971 had established a dairy at Mangalore with a capacity for processing 10,000 litres of milk, along with that the collection and distribution net work also began in the district. Later on, during 1974 Canara Milk Federation was organized at Manipal. During the Fifth Five Year Plan, to strengthen the Co-operative Societies in general, and primarily the Primary Agricultural Credit Societies, and to transform them into potentially performing economic units, several result oriented activities were initiated. Accordingly, several weak Co-operative Societies, especially the Agricultural Credit Co-operative Societies were merged with the stronger (Credit) Societies and they were reformed. As a result, agriculture based Credit Co-operative Societies in the district witnessed considerable decline. During 1970-71, there were a total of 860 (including the closed ones) Co-operative Societies, among them the number of agriculture based Societies were 345, and all other different Co-operative Societies were 515 in number. The total number of members in all active Co-operative Societies was 3.07 lakhs. During 1974-75, there were 1071 Co-operative Societies totally; among them 310 were Agricultural Credit Co-operative Societies, while others

numbered 761. Active Co-operative Societies had an increased total membership of 3.85 lakhs. During 1978-79, the total numbers of 941 Co-operative Societies in the District, out of them 164 Societies were Agricultural Co-operative Credit Societies, and the remaining 777 included all other Co-operative Societies. Among all the Co-operative Societies of the District, there were a total number of 5.16 lakh members. During 1977, the first Fisher Women Co-operative Society was organized in Malpe.

As a result of the encouragement given to Dairy Industry by the Government, in the decades following 1980s, Milk Producers Co-operative Societies came to be established very extensively. Dakshina Kannada District Co-operative Milk Producers' Federation was established in 1986, and the Canara Milk Federation at Manipal was merged with this. All Milk Producers' Co-operative Societies in Dakshina Kannada and Udupi district were brought under Mangalore Milk Federation. The then Dakshina Kannada district, which included the present Udupi district, towards the end of June 1985 there were a total of 1073 Co-operative Societies with a total membership of 6.24 lakhs. Among the total Co-operative Societies (1073), there were 167 active Agricultural Credit Co-operative Societies having a total membership of 2.67 lakhs. Towards the end of the year agricultural credit societies had dispersed a short term loan of ₹2502.63 lakhs to their members, and medium term loan amount of Rupees 302.18 lakhs. During 1991-92 (including 101 closed societies), there were a total number of 897 Co-operative societies in the district (excluding Milk Producers Co-operative Societies). Among 631 active Co-operative Societies, 165 societies were Agricultural Credit Co-operative Societies, with a membership of 3.51 Lakhs. Agricultural Credit Co-operative Societies, towards the end of the year, had disbursed short term loan of ₹4323 lakhs; Medium Term loan of ₹395 lakhs; and long term loan of Rupees 176 lakhs. There were 223 Milk Producers Co-operative Societies in the district during 1991-92, with a membership of 39765. Dakshina Kannada district was divided in to two districts during 1997. Accordingly, the details of the newly created Co-operative department is appended. Co-operative movement within the administrative jurisdiction of the district is being carried on satisfactorily. The Co-operative organizations in the district have laid emphasis on the provision of socio-economic facilities, creating local employment works for the development of the locality. Agricultural Credit Co-operative Societies, Marketing Co-operative Societies, Consumers' Co-operative Societies, Urban Co-operative Banks, Credit

Co-operative Societies, are performing their duties satisfactorily and are economically strong. Data relating to the District Co-operative Societies is given in Table 6.10

Table 6.10: Details Co-operative Societies in the District

Sl. No.	Description	31-12-2006
1	Total number of Co-op Societies in Udupi District	555
2	Working Societies among them	503
3	Co-operative societies which have ceased to function	33
4	Societies on the verge of closure	19
5	Dividend remitted to the Government	₹ 2.76 lakhs
6	Total number of members in these Societies	4.88 lakhs
7	Co-op Societies/Banks running profitably during the current year	453

Dakshina Kannada District Central Co-operative Bank Ltd., Mangalore

Under the Indian Co-operative Societies Act 1912, several Primary Co-operative Societies had been established in the then Dakshina Kannada District. The responsibility of the Central Organization of providing them financial assistance was first entrusted to the 1909 Puttur Rural Co-operative Society. Towards this end, having realized the need for the establishment of an independent central organization, Dakshina Kannada District Central Co-Operative Bank, Ltd., registered on 30th of November, 1913, in the then Madras Presidency, as the seventh District Central Co-operative Bank, started its business on January 24th, 1914 first in Puttur. This Bank, established under the leadership of D. Molahalli Shivaraya, the spokesmen of the district Co-operation, had from the beginning, provided leadership, advise, notices, offered financial facilities etc, to its member Co-operative Societies, and having proclaimed the Co-operative Movement throughout the district marched forward helping the growth of the movement. Having spent the formative years in Puttur, and standing on the firm foundation, this Bank was transferred to the District Headquarters Mangalore during 1927, had got its own spacious new building inaugurated in 1949. This Bank, having spread the Co-operative movement to all the villages in Dakshina Kannada and Udupi districts is rendering service by propagating the Philosophy of Co-operation and working in the area of education as well. The News Paper "*Kannada Sahakari*" was started by this Bank during 1919, and

it is being run by District Co-operative Union. District Central Co-operative Bank has facilitated the rural economic development by supplementing rural development programmes through several Co-operative organizations like Marketing Co-operative Society, Agricultural Development Society (SCADS), Weavers Co-operative Society, Fisheries Marketing Corporation, Horticultural Products Marketing Co-operative Society, Sugar Factory, Milk Producers Co-operative Society etc. The Bank is advancing short term loans to help grow the prominent crops of the district like betel-nut, coconut, Banana, paddy, sugarcane etc. In the implementation of several rural development and utilitarian programmes of the government like IRDP, Hundred Wells Scheme, Bio-gas, Special Component etc, the Bank has played a very significant role. For purposes of purchase of Pump-set, power-tiller, dairying, poultry farming, irrigation tank repairs, land development, sphere of agriculture, house-building, purchase of bison, etc, the Bank advances medium and long term loans to the rural agriculturists. Since enough loans are being granted to dairying in the rural areas, several families are becoming economically self-dependent by taking to this occupation. As it is impossible to eliminate rural unemployment by agriculture alone, the bank under NABARD refinance scheme, is advancing loans at low rates of interest to minor-industries, service centres, rural cottage industries, etc, and several rural folks taking advantage of these schemes and engaging themselves self-employment schemes, have succeeded in achieving economic progress. The Bank is catering to various segments of rural population by advancing business loans, vehicle purchase loans; construction of Kalyanamantap-commercial complex etc. It is also encouraging women to seek self-employment by advancing new initiative loans etc. This Bank had carried on most of its business activities through member Co-operative Societies and as the business developed, had managed to go forward to open its own branches throughout the district. Accordingly, its first branch was opened in Puttur during 1964. Next, opened its Kundapura branch during the same year, Bantwal and Udupi branches in 1968, Karkala, Belthangady, Mangalore(Mission Road) and Sulya branches were established in 1969. Gradually, it had established branches throughout the district, in stages, until it had a total of 49 branches towards the end of March 2005.

Under the Mangala Kisan Credit Card Scheme, introduced by the Bank during 1999-2000, it is providing loans to the agriculturists in

the recent years. The Bank, under the scheme, has brought the borrowers under the protection of the personal accident insurance scheme. In the undivided Dakshina Kannada district, from the date of the introduction of the scheme till 2005, in all 40432 Kisan Credit Cards had been distributed to the agriculturists through member Co-operative Societies. These cards carry an upper ceiling limit of ₹16122.40 lakhs, on the loans. The Bank is also providing loan facilities to the self-help groups, which are engaged in the result oriented economic development of the rural poor. Under directions from NABARD the self-help group scheme was put to practice in the district during 1999-2000. From the beginning of this scheme (1999-2000) till March 2005, 21562 self-help groups have come in to existence in the Co-operative field, in Dakshina Kannada and Udupi districts. Having collected ₹ 1537.82 laks as deposits from them, loans amounting to ₹3009.87 laks have been advanced. (The Refinance obtained from the NABARD amounted to a sum of ₹1621.01 Lakhs). The progress achieved by the District Central Co-operative Bank in the past 25 years is appended in the table 6.11.

Table 6.11: Achievements of the District Central Co-operative Bank,
(Rupees in Lakhs)

Sl. No.	Details	1980-81	1990-91	1995-96	2000-01	2002-03	2003-04
1	Total Branches	22	23	25	44	45	49
2	Membership						
a	Government	1	—	1	—	—	—
b	Co-op. Societies	384	664	766	785	777	835
c	Associates	—	—	—	—	41	90
d	Nominal	3604	14938	33294	—	—	—
3	Share Capital						
a	Government	36.60	32.60	—	—	—	—
b	Co-op Societies	101.92	289.51	469.28	730.31	756.56	748.80
c	Associates	—	—	—	—	2.95	7.05
d	Nominal	0.04	0.75	1.66	—	—	—
	Total	138.56	322.86	470.94	730.31	759.51	755.85
4	Reserve fund	91.41	18.98	193.89	464.54	903.151	188.20
5	Deposits	1008.54	3785.62	9262.99	28928.82	37397.58	38336.61
6	Borrowings	152.66	1075.74	1071.67	2035.83	4322.46	5549.38

cont'd.

Sl. No.	Details	1980-81	1990-91	1995-96	2000-01	2002-03	2003-04
7	Working Capital	1391.17	5303.30	11869.19	24450.30	44948.92	47471.07
8	Sanchayana	307.37	1305.25	2884.70	9412.14	13365.73	14428.18
9	Loan Dues	1002.85	3704.92	7884.27	21794.11	27110.30	28736.20
10	Loans, time limit	195.95	768.40	123.27	534.41	1567.50	2813.82
11	Volume of loanRecovery						
a	Agri. loan (June %)	73.25	74.81	100.00	100.00	100.00	99.42
b	All types of loans (June %)	73.30	74.80	98.33	94.32	91.14	85.77
12	Profit	0.14	25.91	45.77	258.38	404.48	405.16
13	Dividend %	-	-	6.00	11.00	10.00	10.00
14	No. of staff	227	232	282	427	413	409

Source: District Central Co-operative Bank, Mangalore

Having been established during 1914, Dakshina Kannada District Central Co-operative Bank is carrying on its business in Dakshina Kannada and Udupi districts. The Bank has got 50 branches, and out of them 20 are in Udupi district. During the past nine years, six new branches of the Dakshina Kannada District central Co-operative Bank have been opened. This Co-operative Bank is extending financial help primarily to agriculture and non-agricultural spheres of activities. Statistical details of Dakshina Kannada District central Co-operative Bank as on 31-03-2007, is furnished below:

Details	Rupees in Crores
Share capital	13.49
Reserve fund	24.26
Deposits	521.43
Loans obtained	168.93
Loans sanctioned and advances	493.46
Investments	97.97
Collection status (%)	93.07
Net profit	5.87

Through 56 primary Co-operative Societies, the Bank has been distributing crop loans in the district. 50.6% of the crop loan advanced by the Banking sector in the district is from this bank. In the recent years, this bank is trying to better its achievements in its loan section by extending financial help to the non-agricultural sector.

Primary Co-operative Agricultural and Rural Development Banks

Having found the money lenders, during 1936-37, pouncing on the small and marginal farmers, to take possession of their lands, through the decrees obtained from the courts, the spokesman of the District Co-operative movement, D.Molahalli Shivaraya, had immediately come forward to establish the Land Mortgage Banks, with a view to help such farmers. Accordingly, on 1st May 1938, the Puttur Division Co-operative Land Mortgage Bank had been established. The then area of operations of the Bank comprised of 298 villages spread over Kasaragodu, Belthangady, Bantwal, Sulya, and Puttur taluks. Next, towards June 26th, 1938, the Mangalore Division Co-operative Land Mortgage Bank and during the same year Udupi Division Co-operative Land Mortgage Banks were established. These Banks were advancing loans to the agriculturists with the sole purpose of paying off old loans availed from the rich money lenders. As a result of the state reorganization on linguistic basis during 1956, Dakshina Kannada (excluding Kasaragodu taluk) district was incorporated in Mysore (Karnataka state-today) state. Later on, for administrative convenience, a separate Primary Co-operative Land Development Bank was started for the Balthangady, Bantwal, Kundapura, Karkala and Sulya taluks. The name of these Banks was changed to Primary Co-operative Land Development Bank during 1965, and again in 1985 as Primary Co-operative Agricultural and Rural Development Bank. These Banks were advancing loans to the agriculturists only to pay off the old loans borrowed from the money lenders up to 1965, but later on in accordance with the changing circumstances, changed their attitude towards the sanctioning of loans and are now sanctioning more loans towards developmental activities. Though they are primarily undertaking sanctioning of long term agricultural loans, from 1987 they have started advancing loans towards non-agricultural activities like rural small scale industries, from 1989, extending loan facilities towards rural housing schemes. Achievements, during the recent years of the decade, of the Primary Co-operative Agricultural and Rural Development Banks in the Udupi district is provided in the following table: There are three Primary Co-operative Agricultural and Rural Development Banks in the district. They advance on the basis of investment credit and term loans. Loans are sanctioned primarily to minor irrigation, horticulture and plantation crops. Due to the severe competition prevalent in the Banking Sector, these Primary Co-operative Agricultural and Rural Development Banks are struggling for

their profits. During the year 2005-06, due to the interest waiver scheme declared by the Karnataka Government the Primary Co-operative Agricultural and Rural Development Banks have witnessed some reforms. Thus, during the year 2005-06, the Primary Co-operative Agricultural and Rural Development Banks in Kundapura and Karkala have successively gained the profits of ₹13. 27 lakhs, and ₹92 lakhs. From the past three years Udupi Primary Co-operative Agricultural and Rural Development Bank reports losses it had suffered. These three Banks have recorded 51% of average recoveries during 2004-05 and they have improved their recovery during 2005-06 and reached an average of 60. 9%. Statistical details pertaining to these three Primary Co-operative Agricultural and Rural Development Banks as on 31-03-2006 are as follows:

Details	Rupees in Crores
Share Capital	1. 82
Reserve fund	2. 12
Deposits	5. 44
Loans obtained	21. 21
Loans and advances	18. 04
Investments	2. 39
Recoveries (%)	61
Net profit	1. 09*

**One Primary Co-operative Agricultural and Rural Development Bank is under loss.*

Primary Agricultural Credit Co-operative Societies

It is the responsibility of these Primary Agricultural Credit Co-operative Societies to ensure that, the loans provided for agricultural development under the Co-operatives are extensively and effectively put to use. Loans flow at the village level through these organizations. They provide crop loans (short term) and medium term loans for agricultural development to their member agriculturists, in addition to providing good seeds, chemical fertilizers, pesticides etc. In addition to consumer goods they do sell rationed food grains, clothing etc. It helps agriculturists to get appropriate prices to their produce. It provides loan facilities to rural artisans and works for their economic progress. From 1995-96, under the programme of business development, these societies are being strengthened and converted in to Primary Agricultural Credit Co-operative Banks. In order to help them to get fixed with banking counters, the government is financing them to buy

iron safe lockers. In the district there are 56 Primary Agricultural Co-operative Societies linked to Dakshina Kannada District Central Co-operative Bank. All these societies are not only performing their duties as bank/ branches, but also offering broad band services to the villages in the district. The details of the Primary Agricultural Co-operative Societies in respect of their membership strength, economic condition and other business as on 31-03-2006, is as follows:

Out of the 56 societies cited above 43 societies have taken up consumers' business, and 42 societies are running business in chemical fertilizers, 19 societies are performing business pertaining to marketing. 41 societies are providing godown facilities, 44 societies have got their own offices. Apart from these, 55 societies have their elected board of administrators. Apart from these there are also 211 Milk Dairy Co-operative Societies.

Details	Amount (₹ in Crores)
Total number of Members	252825
Total women members	87880
Total SC/ST members	32626
Share capital	14.28
Reserve fund	7.07
Deposits	201.87
Loans received	38.88
Loans and advances	203.46
Number of Societies earning profits	53
Profit earned	3.83
Number of societies under loss	3
Amount of loss	0.26

Taluk Agricultural Produce Marketing Co-operative Societies

To help the agricultural producers to get good prices for their produce without the intermediaries, and to help the agriculturists get their agriculture based requirements are the primary aims with which these societies were started. In Udupi district, at the rate of one society in each of the taluk, Agricultural Produce Marketing Co-operative Societies are functioning. The main aim of these societies is to help the members falling within the purview of their administrative jurisdiction with seeds to sow, pesticides and chemical fertilizers. Apart from that, they arrange to procure the best prices

to their members for their produce in the market, advance loans on the security of the agricultural produces and adjust the receipts against such sales, to provide processing to the agricultural products, perform agency duties on behalf of the government, offer fine quality commodities for daily use to the general public, sale of clothing etc at competitive rates etc are the duties which are being performed by these societies. For the achievement of their multipurpose aims, and reform them by way of strengthening these Taluk Agricultural Produce Marketing Co-operative Societies, the state government with the joint Co-operation of NCDCU, is providing the necessary finances. With the aim of achieving greater progress in the activities of the Marketing Co-operative Societies, from 1995-96, business improvement scheme has been incorporated in to the scheme. Progress of Udupi district, Taluk level Agricultural Produce Marketing Co-operative Societies, in the recent years is appended in table 6.12.

Table 6.12: Taluk level Agricultural Produce Marketing Co-operative Societies

Sl. No	Details	1995-96	2000-01	2002-03	2003-04
1	Taluk APMC Society Numbers	5	5	5	5
2	Membership	7561	10762	10951	11104
3	Share capital (₹. 000)	6995	10961	11605	12400
	Government's share(000)	-	-	4200	4200
4	Working capital (000)	55695	70325	72524	78647
5	Reserve/other funds (000)	7662	10082	11108	12506
6	Loans obtained (000)	-	4100	3800	4000
7	Marketing Value of Agriculture produces				
a	Seeds (000)	70	90	95	1000
b	Fertilizers (000)	8225	11331	12681	22923
c	Others (000)	51	80	90	110
8	Own warehouses- number	30	32	32	32
9	Rented warehouses- number	4	5	6	6
10	Number of Profit earning societies (₹ 000) Profit earned	1 95	1 90	2 101	2 318
11	Number of societies under loss Amount lost (000)	4 2125	4 3461	3 3518	3 5615

Source: District Co-operative Department, Mangalore

Milk Producers' Primary Co-operative Societies: The primary aim of these Societies is not only providing basic facilities to assist the members in the rural areas for canalising Dairy Industry, but also the creation of necessary infrastructure to collect and marketing the milk produced by the members. Dakshina Kannada District Milk Producers Federation, established in 1986 at Mangalore, is promoting Dairying in the district. Milk Producers Co-operative Societies came to be established in increasing numbers in rural areas. These societies played a very significant role, during the past twenty years, in the district in spreading the impact of the white Revolution. Towards the end of 1998, there were 175 milk producers' societies in the district, with a membership of 29877, producing 92, 52,000 liters of milk. During the year 2004-05, 228 societies, with 48428 members, had produced 2,51,41,000 liters of milk. During 2005-06 244 Milk Producers Co-operative Societies were working, and among them there were 58 Women Milk Producers Co-operative Societies.

Consumers' Primary Co-operative Societies : In the midst of severe competition from the private sector, Consumers' service primary Co-operative societies, in the Co-operative sector, are rendering considerable meritorious service to the public. These societies are engaged in the distribution of consumer goods at competitive rates to the consumers. They have, to some extent, effectively played their role in checking the increasing prices of the essential goods. During recent years in enhancing the capability of the Consumers Co-operative Societies under the business development scheme of the Government, efforts are being made to transform them in to profitable units by providing necessary financial assistance. Details of the Consumers Co-operative Societies in the district are provided in the following table:

Sl. No.	Details	As on 31-12-2006
1	Number of Working consumers' Co-op. Societies	16
2	Total Number of Members	27372
3	Paid up share capital	11.78 ₹ in lakhs
4	Deposits collected	135.16 ₹ in lakhs
5	Working capital	195.37 ₹ in lakhs
6	Business transactions	288.49 ₹ in lakhs

Among them 14 societies were working profitably, while two of them were running under loss.

Urban Co-operative Banks: Establishment of the Urban Co-operative Banks has come up with the beginning of the Co-operative Movement. Accordingly, Urban Co-operative Banks have started functioning in Puttur (1909), Kundapura (1912), Karkala (1914), Moodabidri (1919), and Mangalore (1912 and 1917). But, no Urban Co-operative Bank had been established in Udupi, the then taluk head quarters. These Urban Co-operative Banks are found increasingly in Urban and commercial areas. Petty businessmen, industrialists and artisans etc, are the members as well as consumers of these Banks. These Banks receive all types of deposits. They advance personal loans as well as loans on securities. On the basis of their capital, some Banks come under the regulations of Banking Regulations Act 1949. Employees Co-operative Credit Societies also advance loan facilities to their members. They encourage the habit of savings among its members, and attract deposits.

In the fulfillment of the urban area bank related requirements of the district Urban Co-operative Banks have played a very important role. In the midst of the keen competition between Commercial Banks and other financial institutions the Urban Co-operative Banks are performing excellent work in the district.

Details of their functioning are appended below

Sl. No.	Details	As on 31-12-2006
1	Number of Urban Co-operative Banks	7
2	Total number of Members	60165
3	Share capital collected from members	₹ In Lakhs. 1050.37
4	Deposits collected	“ “ 15360.50
5	Loan /dues	“ “ 13710.36

Among them five Banks were working profitably, while two of them were running under loss.

Dakshina Kannada District Co-operative Union, Mangalore

In the healthy and extensive development of the Co-operative Movement, Co-operative unions have played a very important role from the beginning. Propagation of the basic principles of Co-operation, providing the necessary lead in the establishment of Co-operative societies, imparting necessary training to the members and the

administrative staff and providing guidelines, to act as compare in the fulfilling the aims of Co-operation, propagation of Co-operative training to the members, etc, were some of the aims of these institutions. After the States reorganization, the reorganized Co-operative Union at the State level (later on Co-operative Corporation), in Bangalore, had been very successful in guiding District level organizations. The federation of the District Co-operative Unions is itself the Co-operative Corporation. With a view to provide necessary guidelines to the progress of Co-operative movement, Dakshina Kannada District Co-operative Development Society Ltd., had been first established in 1939. District level Co-operative societies and Taluk unions had got its membership. This organization is also engaged in publishing the monthly paper 'Kannada Sahakari' containing useful information pertaining to the Philosophy of Co-operation and related matters. Guided by the principles of State Co-operative Corporation, after it became transformed in to Dakshina Kannada District Co-operative Union Ltd., in 1960, it is working for the development of Co-operative movement by way of propagating the aims and principles of Co-operation and by implementing the principles of Co-operation like education in Co-operation, training, publicity programmes at the district level. Apart from that, strengthening at the district level all types of Co-operative societies, guiding in the establishment of new Co-operative societies are among its aims. All types of Co-operative societies in the district can become members of this union. The publication of the then 'Kannada Sahakari' the monthly paper is being continued by this organization under the changed name 'Dakshina Kannada Sahakari'. As a result of the creation of an entirely independent Udupi district in 1998, its activities are limited to the new Dakshina Kannada district, although till that date it included Udupi district also.

Sl. No.	Details	As on 31-12-2006
1	No. of Working Non-agricultural Credit Co-op. Societies	43
2	Total number of members	63211
3	Paid up share capital	893.05 ₹. In Lakhs.
4	Deposits collected	8851.36 ₹. In Lakhs.
5	Working capital	11351.72 ₹. In Lakhs.

Among them 41 Co-operative societies were working profitably, while two of them were running under loss.

Industrial Co-operative Societies

Sl. No.	Details	As on 31-12-2006
1	Number of working industrial co-op. societies	29*
2	Total Number of Members	13290
3	Paid up share capital	226.78 ₹. In Lakhs.
4	Deposits collected	864.72 ₹. In Lakhs.
5	Working capital	1523.38 ₹. In Lakhs.
6	Business transactions	392.18 ₹. In Lakhs.

* Among them 21 Co-operative societies were working profitably, while eight of them were running under loss.

Women Co-operative Societies

Sl. No.	Details	As on 31-12-2006
1	No of Women Co-operative Societies	82*
2	Out of them Co-operative Milk Producers Societies	58
3	Women Multi-purpose Co-operative Societies	13
4	Women Fisheries Co-operative Societies	11

Industrial Co-operative Societies

Sl. No.	Details	As on 31-12-2006
1	Total number of members in these Societies	19537
2	Paid up share capital	123.26 ₹. In Lakhs.
3	Deposits collected	601.72 ₹. In Lakhs.
4	Working capital	817.48 ₹. In Lakhs.
5	Business transactions	1041.35 ₹. In Lakhs.

* Among them 76 Co-operative societies were working profitably, while six of them were running under loss.

AGRICULTURAL PRODUCE MARKETING COMMITTEES

Among several requirements necessary for the development of Agriculture, organized marketing system of the agricultural produce also plays a very important role. Before the advent of the regulated agricultural produce marketing, most of the agricultural products were being marketed at local weekly fair, or directly in the markets, or through middle-men. Before independence, there was paucity of institutional loan facility, lack of regulated markets, non-reliable weights and measures, lack of warehousing facilities; goods without quality and classification were some of the shortcomings which deterred the farmers in getting properly paid for their labour and their economic condition was pathetic. With the aim of saving the agriculturists from this pathetic condition, the then Central Government in 1927, had appointed the Royal Commission for Agriculture. That Commission, in order to alleviate the problems of the agriculturists recommended the importance of the establishment of Regulated Markets.

With a view to provide fair price and marketing facilities to the agricultural products of the farmers, in the former Madras Presidency for the first time the Madras Commercial Crops Act had been introduced during 1933. According to that Act, agricultural Marketing Committee (including the then Dakshina Kannada District), was constituted during 1951 in Mangalore. In that marketing area buying and selling of the agricultural produce was being carried on satisfactorily.

Karnataka Agricultural Produce Marketing (Regulation) Act 1966: After the State reorganization, with a view to bring uniformity and enhance facilities in the regulatory system of the marketing of agricultural produce throughout the state a comprehensive and uniform Agricultural Produce Marketing (Regulation) Act 1966 was devised. In order to facilitate the implementation of this Act, Karnataka Agricultural Marketing (Regulation) Rules 1968 had been prepared. In the Dakshina Kannada district to look after the administration of Agricultural Produce Marketing Committee, Office of the District Marketing Officer had been established on first of February

1967 (during that time its jurisdiction extended to Dakshina Kannada and Coorg districts). That was renamed on March Twelfth, 1987, as Office of the Assistant Director of Agricultural Marketing and its area of operations was limited to the then Dakshina Kannada district only. This department is engaged in the implementation of Karnataka Agricultural Marketing (Regulation) Act 1966, and Karnataka Agricultural Marketing (Regulation) Rules 1968, The Agmark (Grading and Marketing) Act 1937, and Karnataka Warehousing Act 1961, and rules Central Government's (issue of licenses only) 1969, passed in their respective districts only. To look after the activities of the regulated market a committee was constituted. (This committee consists of 11 members from among the ryots - with reservations - ST-1, SC-1, Women Representative-1, Backward Classes- 2) Consumers-1, Co-operative Marketing Society-1, Co-operative Processing Society-1, Government Marketing Department-1, altogether 15 elected representatives and three nominated representatives from the government, as provided in the Act. The term of the elected representatives being five years, the president and the vice-president of the committee are the representatives of the ryots. This committee regulates the marketing system in their respective spheres of activities and is also invested with the responsibility of providing roads, drinking water, lighting, platform for auctioning, restaurants, rest houses, trees to provide protection from sun light, and facilities for classification of the agricultural produce(in selected markets), in the marketing areas. The main sources of income to the Marketing Committee are Market Fee, and Licensing Fee. All the expenses of the Marketing Committee are borne out of this income. Licensing Fee is levied on all agencies who transact their businesses in the Marketing area. In addition to this, the buyers of the Agricultural produce pay one percent on the value of their purchases, and Rupees two on each of the cattle heads and 0.25 paise on each of the sheep and goat is collected as marketing fee.

District Agricultural Produce Marketing Committees : The Regulated markets in the Udupi district carry on their duties under the administrative control of the Assistant Director of the Department of Agriculture and Marketing. Under the Karnataka Agricultural Produce and Marketing (Regulations) Act 1966, the Regulated Markets

perform the functions as local markets. There are three main Agricultural Produce Markets, one each at Udupi, Karkala and Kundapura. The Committee at Udupi has come in to existence as an independent Committee during November 1992, after the bifurcation of the Mangalore Agricultural Marketing Committee. At that point of time the Udupi Market had its jurisdiction over Udupi and Kundapura taluks. During April 1998, they stand bifurcated into two independent Committees. The three Committees in the District have got their own marketing premises with all the required facilities provided. Moodabidre Agricultural Produce Sub-Market, which had been using the area under the municipal corporation as its area of operation, had begun in August 1997.

In the Udupi district there were three main markets and one Sub-Market doing business during 2005-06. Details of these are provided in the next table.

Sl. No	APMC Markets in District	Place- location	Year of Establishment	Jurisdiction
1	Udupi Main Market	Udupi	1941	Udupi taluk
2	Karkalla Main Market	Karkala	11-11-1992	Karkala taluk
3	Kundapura Main Market	Kundapura	01-08-1997	Kundapura
4	Mudabidri Sub-market	Mudabidri	Aug 1997	Mudabidri Municipal Area

Source: Department of Agricultural Marketing, Mangalore

Regulated Commodities

Generally, agricultural products are subjected to grading, classification etc, in the area of marketing and if they are the products of that area or collections made in that area, such products are regulated. Apart from that, new products are, from time to time, brought within the purview of the Regulation Act. In the Agricultural Produce Markets of the present Udupi district, under the Government notification dated 29-10-2001, 113 agricultural products are brought under the regulations. Betel-nut, coconut, copra, paddy, rice, cashew-nut, pepper, ginger, dry-chilies, jaggary, banana-ripe, unripe-banana, sweet potato, mangos, cattle, timber etc, are the prominent products among them.

Details of the Agricultural Produce Marketing Committees

Sl. No	Detail	Udupi	Karkala	Kundapura
1	Annual Transactions	₹ 34.40 crore	₹ 27.19 crore	₹ 18.00 crore
2	District Market condition as on 30-06-2007	₹ 33.78 laks Savings A/c	₹ 45.04 laks Savings A/c	₹ 32.05 laks Savings A/c
3	Total business	₹ 34.40 crore	₹ 46.73 laks	₹ 39.00 laks
4	Market agents			
a	Buyers	174	145	112
b	Importers	142	109	84
c	Exporters	101	72	48
d	Stockists	63	1	79
e	Processors	94	109	66
f	Retail merchants	58	44	34
g	Brokers	24	18	14

Warehousing System: The agriculturists and merchants in the district are benefited by the warehouses under the control of the Central and State Governments. The agriculturists stock their produce in these sheds and arrangements exist to sell them whenever fair prices come to prevail. On the produce so stocked, if needed, Banks and Agricultural Produce Marketing Committees are following the system of advancing loans. The loans so availed could be paid off after the sale of the products. This system not only provides for the contingencies, but also helps to avoid inevitability of selling at lower prices. Details of the warehouses in the Udupi district, is as follows:

Sl. No	Plan Details	Sanctioned Warehouses	Warehouses Completed
1	SCDC, III category	19	16
2	SCDC, general	30	28
3	Other Plans	131	129
	Total	180	173

Mortgage Loan Scheme on Agricultural Produce: In order to avoid agriculturists selling their produce at lower prices, to tide over their contingencies, particularly when fair prices do not prevail in the markets, the government has implemented, in selected Agricultural Produce Marketing Committees, Agricultural Produce Mortgage Loans

Scheme with effect from 1995. Accordingly, Puttur and Sulya Marketing Committees have come under the scheme. Either Sixty percent loan or a maximum of Rupees fifty thousand (whichever is lower) is being paid as short term loan (For a maximum period of three months) on the approximate value of the agricultural produce stocked in the warehouses.

Ryot Sanjeevini Accident Insurance Scheme: The Agriculturists and the members of their family (in the age group of 18-60 years), die due to accident or become physically disabled while engaged in agricultural or in marketing activities at the agricultural produce marketing yard, they are paid a minimum of ₹1,500/- up to a maximum of ₹25,000/- as compensation under this scheme.

Hamalis (Porters) and Weighing-men Life Insurance Scheme: For the social security of those who having obtained license from the Agricultural Produce Marketing Committees are working as porters (Hamalis) cart-men, and weighing-men (in the age group of 18-60 years), Group Insurance Scheme has been introduced. Karnataka State Agricultural Marketing Federation, in association with Life Insurance Corporation has introduced this scheme. According to this scheme the licensed Hamalis, Cart-men and Weigh-men met with natural death, a maximum of ₹25000/- and a sum of ₹50000/- if they died due to accident get insurance relief.

Food and Civil Supplies

Having observed the gap between the demand for and supply of essential commodities, Government is engaged in regulating the supply and distribution of essential commodities. Especially, control over food grains was introduced after the Second World War. Under Essential Commodities Act 1965 the Department of Civil Supplies, is implementing 28 different regulatory orders passed by both the Central and State Governments, at the district level. Implementation of different regulatory orders and maintaining informal public distribution system, ensuring equitable distribution of and maintaining stability in the prices of essential commodities etc, are the prominent duties of the Department.

Public Distribution System: When the need for the distribution of food grains emerge in the State during 1965, to tide over the conditions, informal Public Distribution System was introduced in

Bangalore and KGF the industrial city. This system was extended to Mangalore city during 1974. Next, during 1978 this system was extended to all cities with a population size of 40,000 and more. Accordingly, the present Udupi District has come under the Informal Public Distribution System.

For the rural poor, whose annual income was less than ₹3,500/- (at present ₹12,000/-), a system of distribution of food grains at a discounted rate has been implemented in the state with effect from 1-11-1985. This scheme is applicable to landless agricultural labourers, rural artisans, small and very marginal farmers, horticultural labourers, in addition to the physically challenged, widows and the aged getting monthly benefits, etc. By way of issuing green ration cards to these families, each of the card holders is given five kg of rice at the rate of ₹2.50 per kg and five kg of wheat at the rate of ₹1.60, per kg, every month. This facility is being extended to the cities where the population is less than 20,000, for the benefit of the urban poor, with effect from August 15th, 1989. With a view to accord special recognition to the weaker sections in the rural areas, such families were provided with green ration cards, while others got saffron coloured ration cards. Similarly, the weaker sections in the urban areas were provided with green ration cards, while others were being given the general ration card of the Public Distribution System. Persons with saffron ration cards in the rural areas and the persons holding the general ration card from the Public Distribution System, in the cities got a fixed quantity of essential commodities to a limited extent, at the generally prevailing prices.

With effect from First of June 1997, the Public Distribution System has been made goal-centric. From 1-11-1985, the distribution of food grains at discounted rates, as it existed earlier, is being continued. The urban families with an annual income of ₹17,000/- and above are being given a photo affixed ration card, while for the rural people with an annual income of ₹12,000/- and above, are being given the saffron ration card. For those rural poor with an annual income of less than ₹12,000/- and the urban poor with an annual income of less than ₹17,000/- green/yellow ration cards respectively have been issued. (On the basis of the economic conditions, for those who are below the poverty line yellow ration cards had been issued after changing the then existing green ration cards. Each of the family having a yellow card got 28 kg of rice at the rate of ₹6.15 per kg, and seven kg of

wheat at the rate of ₹4.65/- per kg through fair price shops. This scheme was revised on 1-9-2004, and after the revision 20 kg of rice at the rate of ₹2 per kg, and five kgs of wheat at the rate of ₹ 3 per kg, is being supplied. The Government of India has started a new scheme known as “Anthyodaya food scheme” during 2001-02. Under this scheme every family is provided with 28 kg of rice and seven kgs of wheat, at extraordinarily discounted rates of rupees Three per kg. for rice, and rupees Two per kg, for wheat.

Different type of Ration Cards System: Food and Civil Supplies

During 1942, the government had prevented the movement of food grains to outside districts, with the introduction of Food Grains Regulation Act. During 1950, the Government had opened the fair price shops and entrusted that responsibility to certain merchants. The Government had introduced the Ration Card System, with the family as its basis, in order to distribute food and civil supplies through the fair price shops. Keeping the economic condition of the family in mind, it has divided, at present, the ration Card in to two divisions. 1) APL (Above Poverty Line) and 2) BPL (Below the poverty Line) and the cards are also in two different colours. Green card to the extremely poor, Yellow Card to the moderately poor, were issued. During the current year (2006-07) in the district Details of Ration Cards distributed Taluk wise is appended here.

Sl. No	Details	Udupi	Karkala	Kundapura	Total
1	No. families reported 2001	103873	66572	40341	210786
2	House to house report No.of families	105806	72940	42043	220789
3	Antyodaya Card	6619	6860	4376	17855
4	Akshaya	36513	35834	17350	89697
5	Annapurna	269	119	00	388
6	APL	59275	29824	19228	108327
7	BPL	43401	42813	21726	107940
8	Total (6+7)	102676	72637	40954	216267

National Savings Scheme

The Assistant Director has taken up the responsibility of discharging the duties of the office of the Udupi district in respect of this scheme. This department has got its branches in Karkala and Kundapura. One among the prominent duties of this department is to appoint authorized agents for the collection of money from the public under different savings schemes of the department of Indian Postal Service. The main business of the post offices includes savings Scheme/ Collection of money, Sale of stamps, etc. Details of the authorized agents appointed for the collection of deposits is as follows:

1. Representatives appointed under the qualitatively authorized agency, 2. National Savings Scheme eighth issue/Deposits collectors under Kissan Vikas Patra scheme, 3. Representatives appointed under Mahila Pradhana Kshetreya Bachat scheme. This was reserved for women. 4. Representatives appointed for the collection of Public Provident Fund and Senior citizens deposit scheme. There are 2500 representatives/agents, like these, working in the Udupi district.

Different types of Small Savings Schemes are as follows:

1. Kissan Vikas patra, money becomes double in eight years and seven months. 2. National Savings Scheme eighth issue: Repayable after the completion of six years, with interest compounded half-yearly. 3. Post Office Monthly Savings Scheme. 4. Public Provident Fund Scheme: duration 15 years, with 8% compound interest. 5. Senior Citizens savings Scheme-2004: Duration five years, interest 9% payable quarterly. 6. Post Office Term Deposit plan: ranges from one year to five years, interest compounded quarterly- repayable yearly. 7. Five years post office recurring deposit account: with a minimum of rupees ten and multiples of rupees five thereafter, payable monthly; carries compound interest calculated on quarterly basis and repayable on maturity. 8. Post office Savings Account with an interest rate of 3.5%.

Deposits Accumulated under Various Small Savings Schemes as on 31-03-2007

Sl. No	Taluk	Total (in Lakhs of Rupees)
1	Udupi	2180.04
2	Karkala	1862.82
3	Kundapura	1226.88
	District total	5269.74

Insurance Business: Like banking industry, Insurance business is also a very important commercial activity. In the field of Life Insurance, Life Insurance Corporation of India, (LIC) is in the forefront. Udupi district has got six branches- Two in Udupi, and one each in Kundapura, Kapu, Brahmavara and Karkala, carrying out the business. Progress achieved by these branches during the past three financial years is annexed below:

Sl. No	Financial year	New Business		Agents	Repayment of matured policies		Death claims/ refunds	
		Policies	Premium		Number	Amount	Number	Amount
1	2004-05	55690	2558	2565	23241	3799	945	495
2	2005-06	79168	3583	2606	25530	4717	1162	636
3	2006-07	95031	8001	2769	29289	6854	1126	5869

Some private Insurance Companies, during the previous years, joining hands with banks in respect of Insurance business have made a remarkable progress. Apart from Life Insurance, in other areas of Insurance also joint efforts of these companies have made considerable progress and the common man has been successful in taking advantage of these schemes.

Overseas Trade: There are three small harbours in Udupi district- Malpe, Kundapura and Baidur. Since, Banks in the undivided Dakshina Kannada district were performing their duties excellently; right from the days of the British, merchants from Mumbai had opened their branches there and encouraged the progress of business. As a result of the exemplary work, in commerce, performed by the local residents of the district, and the local harbours, which were nature's boon, they had manifested themselves as prominent trading centres to the businessmen and the exporters. From these harbours the following items are being exported: locally produced paddy, spices, cashew-nut, coffee, fish, prawns, iron ore, tiles, cloth, salt, coconut coir, etc. According to history the Arab traders had considerable trade relations in the district. During the next centuries, the Portuguese, the Dutch, and the British had gradually obtained monopoly over overseas trade which was being carried on through these harbours in the district.

Description of Imports and Exports from Udupi District (2006-07)

Sl. No	Description	Volume(metric tons)	Value (Rs. Lakhs)
EXPORTS			
1	Silicon sand	13500	20.25
2	Ceramic tiles, Syntex, Coconut plants	2700	0.10
IMPORTS			
1	Sodashlite	520.00	71.13

Different Trading Centres

The coastal Udupi district is full of forests, hills, and river valleys. During the early period movement of commodities and human beings from one place to another place was extremely difficult. In the absence of good roads, and bridges business could not be conducted with ease. Recent improvements on roads and bridges, in addition to the National Highway-17, the construction of Konkan railway, and such other basic facilities have all contributed richly for the development of trade in this area. Udupi, Manipal, Malpe, Kalyanapura, Brahmavara, Udyavara, Kote in Udupi taluk; Kundapura, Gangolli, Baidur, Koteswara in Kundapura taluk; and Karkala in Karkala taluk are the prominent trading centres in the district. Recent service facilities like CBS, E-Banking, Mobile Banking, ATM, RTGS, etc, which being extended by the Banks have played a significant role in the development of trade in the district.

Weekly Fairs

Right from ancient times Weekly Fairs are very popular among the marketing places for the village folks. The fairs came to be established for exchanging the commodities in a larger proportion. At these Fairs producers and middlemen exhibit their wares and help the consumers and marginal traders to buy directly. These Weekly Fairs are being held at pre-decided places, time/days. From the Kundapura Fair, one among the several Fairs in the district, coconut, betel nut, jaggery, and food grains are being sent not only to different areas of the district but also to different parts of the state. At some places, the system of carrying the commodities by the individuals on their head for marketing purposes still continues in the district. Smaller Fairs are also being held at Kota, Uchila, Haladi, Padubidari, Udupi, Shirava,

Kemmannu, Kapu, Kalyanapura and Katapadi in Udupi taluk; Nagara, Uppunda, Guddengadi, Siddapura, Siruru, Baindur in Kundapura taluk; and Karkala in Karkala taluk. These Weekly Fairs are being held on Wednesdays in Udupi; on Thursdays in Hebri, Bajagoli, Byluru; on Fridays in Ajekaru; on Saturdays in Kundapura and Karkala; and on Sundays in Kalyanapura.

Religious Fairs

On special occasions and religious festivities every year, when Hindu Temples, Jain Basadis, and such other religious and pilgrimage centres in different parts of the district conduct their religious Fairs and festivities, devotees are attracted to these fairs in huge numbers. These Fairs to some extent inspire the settlement of business and industrial transactions. Among the Temple Fairs “Udupi Paryaya” is a very important one. This is being held bi-annually and attracts a very large number of human gatherings. At this Fair, which lasts for 15 days, business is done very briskly in vessels, ready made garments, Coffee, eatables, and the famous brinjal varieties “Matti Gulla” and “Udupi Gulla”, Udupi Jasmine etc. List of prominent fairs occurring in the district is appended.

Prominent Fairs of the District

Sl. No	Place	Month	God /Occasion	Fair/ Duration	Devotees Gathering
	Udupi Taluk				
1	Udupi	January	Lord Krishna	7 days	50,000
2	Udupi	January, once in two years	Paryaya Arohana	2 days	2,00,000+
3	Udupi	March	Anantheswara	1 day	15, 000
4	Udupi	April	Chandramowleshwar	1 day	15, 000
5	Udupi	September	Sri Krishna Jayanti	2 days	50, 000
6	Kodavuru	December	Balarama	1 day	25, 000
7	Ambalapadi	March	Janardana/Mahakali	1 day	15, 000
8	Ambalapadi	Oct/Nov	Janardana/Mahakali	1 day	15, 000
9	Peraduru	March	Ananthapadmanabha	1 day	15, 000
10	Peraduru	July	Ananthapadmanabha	1 day	15, 000
11	Hiriyadka	May	Veerabdra	7 day	10,000
12	Mandarti	February	Durgaparameshwari	8 days	15, 000
13	Maranakatte	January	Brahmalingeswara	2 days	50,000

Sl. No	Place	Month	God /Occasion	Fair/ Duration	Devotees Gathering
14	Anegudde/(kota)	September	Siddi Vinayaka	2 days	25, 000
15	Elluru	March	Vishvanatha	1 day	15, 000
16	Kapu	March	Mariyamma	2 days	25, 000
Kundapura Taluk					
17	Kolluru	November	Mookambike	10 days	25, 000
18	Chittur	January	Mahalingeshwara	3 days	5, 000
19	Sankarnarayana	January	Sakarnarayana	1 day	5, 000
20	Koteswara	November	Kotilingeshwara	7 days	5, 000
21	Kumbhasi	January	Vinayaka	1 day	5, 000
Karkala Taluk					
22	Karkala	May	Mariyamma	2 days	40, 000
23	Karkala	November	Venkataramana	1 day	50, 000
24	Nitte	January	St. Mary	3 days	30, 000
25	Sooda	December	Subrahmanya	3 days	15, 000
26	Kantavara	February	Kanteshwara	3 days	15, 000
27	Mudaru	March	Kudamanthaya	3 days	15, 000
28	Marpadi	April	Mariyamma	1 day	15, 000

Cattle Fairs: Marketing system of cattle heads is provided at the places of the Agricultural Produce Committees like Udupi, Karkala and Kundapura. Some time ago, annually for a period of about eight days, cattle fair was being held on a grand scale at the village called Seethanadi in Karkala taluk. Due to obvious reasons, over a period of time this Fair has been discontinued.

Weights and Measures

During ancient period the system of weights and measurements was not satisfactory enough in Udupi district. Different types of weights and measures were in vogue at different places in the district. This can be gathered from the inscriptions, ranging from 14 to 17 centuries, reported from Barakuru and Basaruru in the district. Extent of land was being expressed on the basis of quantity of seeds which could be sown as “*Naganduga*” etc, while the quantity of food grains was recorded as “*Moode*” Due to this complexity business was in confusion. During 1886, a uniform system of weights and measurements, bearing a seal, was introduced in the district. Next, in 1956 the system of weights and measurements were transformed

to the metric system. At present this system is in practice in the district and it makes conversion from one system to another easier. This helps greatly to calculate prices. In this system different types of weights and measures are in use. To weigh there are divisions in kilo grams. To measure there are different calculators based on liters and metres. To weigh the weighty goods there is Canter, Scale, platform weighing machines, lorry weigh-bridge etc. Similarly, to weigh finer items and in micro-quantities, there are balances, electronic balances, electronic carat balances with extraordinary programming for weighing are in use. To fill the motor vehicles with fuels like petrol etc, petrol pumps are there. In the same manner there are measures to measure the quantity of gas in gas cylinders which are in use in domestic and commercial cooking and in industrial uses.

Yet another advanced point is the Packaged Commodity Act/Rules. According to the Standards of Weights and Measures Act 1976, and Standards of Weights and Measures (Package Commodity) Rules-1977, it has become customary and part of the new life-style system to use the pre-weighted, readily packaged, ready made goods and commodities.

Coins

Long time ago several types of coins called "*Gadyana*" were in circulation. In an inscription dated AD 1139, there is a reference to "*Pon Gadyana*". They were made out of gold. And they were minted in this area at Barakuru and Mangaluru mints by way of pouring the molten gold in to the pre-fabricated moulds meant for the purpose and known as "*Barakuru-Gadyana*" and "*Mangaluru-Gadyana*". Probably the word *Gadyana* was used to refer Gold coins. If coins known as "*Ponnu*" and "*Honnu*" (Gold) were in use at some places, at other places, "*Paavane*" was occasionally found in circulation. "*Kati-Gadyana*" "*Half-Kati-Gadyana*", "*Bahir-Gadyana*", (minted outside but found in circulation locally); "*Sanna Pratapa-Gadyana*" (issued by the Vijayanagara kings), "*Dodda Varaha-Gadyana*", "*Gatti-Varaha*" (Varahas with more gold content) etc, coins were in daily use. The nomenclatures *Gadyana* and *Varaha* were used to mean one and the same coin. *Hana* or *Kati-Hana* was of smaller denominations. There are also inscriptional references to the usage of a coin known as "*Tara*" – a silver coin of smaller denomination in this area. Coins known as "*Barakuru (convertible) Kati-Gadyana*", "*Barakuru (convertible) bigger-Varaha-Gadyana*", "*Half-Barakuru (convertible) bigger-Varaha-Gadyana*" were coins from outside

in to the locality and were convertible or exchangeable with the local coins. Later on, Government of India has extended the Indian Coins Act 1870, and made it applicable in the Madras Presidency, considering there by all coins released by the Government of India, the legal tender in the district as well. By yet another Act Madras Circle Currency Notes was made a legal tender. The Universal Currency Notes and similar other currency notes released by the Government of India in the Madras presidency as part of the Emergency Act in 1918 were declared the legal tender in Udupi district (the then undivided Dakshina Kannada) also. The new decimal system of coins introduced on 1-07-1957, are in circulation as it is in all other parts of India.

District Consumers' Forum

This is a NGO, registered as required by the law, and recognized by the Central and the State Governments. It is dedicated to the welfare of the Consumers, protection of consumer rights, education, and awareness. From 1980 this organization is engaged in the service of the consumers.

Aims of the Consumer's Forum

Educating the consumers: The Forum organizes training camps to create awareness, imparts training, and enables the consumers to understand their rights and as well as vested interests. By way of giving them information, training, and leadership it keeps them ever-ready about their consumer rights.

Consumers' Movement: The Forum encourages individual consumers to fight for their rights, works for finding legal solutions for issues relating to the groups and puts up struggle on their behalf. It extends every support to the consumer movement.

How the Forum works: Consumers Forum was founded in Udupi by Dr. K.P.S. Kamath, during May 1980. Well informed and service minded individuals assisted him. Prominent among them were Dr. P. Narayana Rao and his wife Srimathi Vinutha Rao, Dr. Ravindranath Shyanbag, Sri. K. Damodar Ithal etc. There are fifteen retired individuals in the Forum with expertise in different subjects and walks of life.

This Forum is working responsively and has provided solutions to several issues of the consumers, who had sought its help, without charging any fee, and yielding to pressures like propaganda and announcements. Because of the industrious work done by the Forum problems have been easily solved and awareness has set in among the consumers. In this context the media also has joined hands with the forum in successfully providing the consumers with the relevant data about their rights. Responding to the problems pertaining to the larger sections of the people (Public Works, Water supply, Public Distribution System, Environmental Pollution, Medical Aid, Education, Social Service etc,) the Forum has extended its active Co-operation and support to the consumer movement by holding public meetings, Symposiums, Protests, strikes etc and succeeded in getting appropriate remedies to the issues cropping up from time to time. The Forum has realized the fulfillment of its purpose in its finding lawful remedies to the consumers' problems, by supporting the movement and struggle, either in their capacity as individuals or as groups.

The Forum has brought the Governmental Departments for a face to face discussion with the Public. The Forum is proud of having conducted face to face discussions with the Urban Development Authority, officials of the service organizations of the Municipal Council. Self assessment of Property Tax, and providing information on the Right to Information Act, is being carried on by the Forum. It has created public awareness among road users. The Forum is conducting consumer awareness camps to officials/students/public etc. This Forum has been celebrating, in a unique manner, the National Consumers' Day and the International Consumers' Day regularly.
