

## CHAPTER VI

### BANKING, TRADE AND COMMERCE

If agriculture and industries represent productive activities banking and financial institutions facilitate the growth of production by mobilising financial resources and granting of credit to the needy sections of the economy. At the same time, trade and commerce, provide facilities for distribution of goods and services. As in the case of other districts of the State, in the District of Uttara Kannada also, the socio-economic conditions of the small and marginal farmers, agricultural and forest labourers, craftsmen and fishermen in general are far from satisfactory. This, among other things, is due to non-availability of adequate and cheap institutional credit and poor facilities of marketing, storage, etc.

### BANKING AND FINANCE

As per old records, about 100 years ago no class had a monopoly of money lending in the district. All who had money, lent it, including even *Kalavants* or dancing girls. People pledged their own selves or members of their own family, giving rise to bonded labour. Such pledging, though common among the lower castes, was not uncommon even among higher castes like Havyaks. The early interest usually charged was ranging between 6 to 12 per cent on good security without possession and from 3 to 6 per cent with possession. When landlords used to provide their tenants with seeds, it was to be returned soon after the harvest with 50 per cent interest (in kind) over the quantity lent. In many cases the creditors used to exploit the debtors taking undue advantage of the helplessness and ignorance of the loanees by adopting dubious ways and usurious practices. As a result of this a large number of families were oppressed under

heavy debts from generation to generation. This sorry state of affairs called for immediate intervention of the Government with several legislative measures.

### Earlier Relief Measures

Much before the introduction of Bombay Money Lenders Act 1946 to regulate the functioning of money lending, the Government used to provide financial assistance to agriculturists under the provisions of the Land Improvement Loans Act 1883 and Agriculturists' Loans Act 1884 for purchase of seeds, cattle and to undertake permanent improvement measures. According to the available data, loans granted under the Land Improvement Loans Act of 1883, amounted to Rs 13,200 for 1895-96 as against Rs 15,500 and Rs 22,950 in the preceding two years. The loans granted under 1884 Act amounted Rs 675 for 1895-96, which was further increased to Rs 17,746 by 1899-1900 ; during 1904-05 under the Act of 1894, the advances made to the cultivators in the district was of Rs 22,592 ; while the advances made under 1883 Act was of Rs 4,275. By 1920-22, the amount of relief provided to the cultivators was of Rs 17,609 as agriculturists loan and Rs 6,450 for land improvement. The rate of interest for both types of loans was  $5\frac{1}{2}$  per cent. However, it was one per cent less under wells and tanks scheme. *Tagai* loans were also granted to the agriculturists for sinking of wells, purchase of bullocks and for other land improvement activities. The total amount of *tagai* loans granted during 1946-47, 1947-48 and in the next year was of Rs 1.52, 2.72 and Rs 4.65 lakhs respectively. The amount of *tagai* loan granted in the district for 1973-74 was Rs 8.59 lakhs as against Rs 12.70, 3.57 and 2.17 lakhs for the preceding three years respectively. At present the practice of granting *tagai* loans is done away with since institutional finance is expected to substitute it.

*Agricultural Debtors Relief Act* : Even before the passing of the Bombay Money Lenders Act, 1946, with a view to reducing the inflated volume of indebtedness of genuine agriculturists so as to bring it reasonably within their capacity to repay, the then Government of Bombay had enacted the Bombay Agricultural Debtors Relief Act 1945. The Act, first introduced on an experimental basis covering only one or two taluks of the district, was subsequently made applicable to the whole of the district by making amendments in 1945 and 1947. However, the scope of the Act was restricted to debts not exceeding Rs 15,000.

*The Bombay Money Lenders Act 1946*: The Bombay Money Lenders Act, 1946, brought into operation from November 1947, aimed at regulating the transactions of Money Lenders by eliminating malpractices and to make the credit facilities available to the needy borrowers both in urban and rural areas, on fair terms and at reasonable rates of interest. Some of the salient features incorporated under the Act were 1) Licensing of Money Lenders; 2) Maintenance of accounts in the prescribed forms, submission of statement of accounts of loans and annual statements; and 3) Limitations on the maximum rates of interest i.e., 9% per annum for secured loans and 12% for unsecured loans as existed in July, 1952. During 1948-49, there were 14 licensed money-lenders in the district and their total advances accounted to Rs 2.18 lakhs as against Rs 1.50 lakhs in the previous year. During the year of States Reorganisation (1956-57), there were 23 money-lenders in the district and majority of them (15) were in Sirsi taluk alone and the total amount advanced by them was Rs 8.03 lakhs comprising Rs 5.05 lakhs for traders and the rest for non-traders.

*New Acts*: After Reorganisation, uniform and more comprehensive legislative measures called the Karnataka Money Lenders Act, 1961 (Karnataka Act 12 of 1962) and the Karnataka Pawn-Brokers Act, 1961 (Karnataka Act 13 of 1962) were passed and they came into effect from 1st April, 1965. Under the provisions of these Acts, money-lenders and pawn-brokers are required to obtain licenses and are expected to submit their periodical returns to the controlling authorities. The present maximum rate of interest chargeable by money-lenders is 18 per cent simple interest on secured loans, while it is 21 per cent on unsecured. The Registrar of Co-operative Societies at the State level and the Deputy Registrars of Co-operative Societies at the district level function as Registrar General and Registrars of Money Lenders respectively. At present, the trade centres in the district continue to be centres of professional money-lenders and pawn-brokers in the district. More concentration of money-lenders is found in Karwar followed by Sirsi, Ankola and Siddapur. During 1977-78, there were 44 licensed Money Lenders in the district and of them, 17 were in Karwar followed by Sirsi (13), as against 34 and 37 total money lenders in the district during 1976-77 and 1975-79 respectively. During 1983-84, the total number of money lenders and pawn brokers in the district was 57 and they had advanced Rs 18.40 lakhs as against 28 money lenders and pawn brokers who had advanced Rs 4.29 lakhs during 1980-81.

**Rural Indebtedness**

It is difficult to collect information on the indebtedness of an individual or group, since indebtedness is generally considered as a social stigma. However during 1961 Census operation, two typical villages of the district, Haldipur from the coastal area and Banavasi from *malnad* area were selected for the purpose of village survey monographs.

*Haldipur* : Of the 530 households, mainly comprising of Halakki Vokkals (188 houses), Namadharis (53 houses), and Harkanthas (93 houses), and others, most of these were indebted either to institutions or individual to the extent of Rs 68,440 and the average debt per household was Rs 330, and *per capita* indebtedness for the entire village was Rs 25. The survey also showed that borrowing was more (69%) in the households with higher income group because of good credit worthiness. According to the occupation group, it was found that non-cultivating fishermen owe nearly 24.3% of the total debts and households cultivating less than three acres each owed about 52% of the total debt. Thus, it is found that the incidence of indebtedness was more among the fishermen and it was mainly due to fish famine in 1961 and 1962. Regarding the sources of loan, the survey indicated that of the total debts nearly 30% was provided by co-operatives and about 9.3% from N E S and Government (the Revenue Department) and about 7% was met by banks. The majority of the loan amount, Rs 36,514 (53%), was supplied by private affluent individuals and none of them were professional money lenders. While revealing the causes of debt, the study indicated that nearly 40.4% of the debts incurred were for normal maintenance of the households, 22% of the total debt for marriages, followed by non-productive purposes like medical and repayment of outstanding debts, funeral expenses, etc. Of the total loans, only about 9% was utilised for agricultural purposes.

*Banavasi* : Out of 533 households mainly comprising Brahmanas and Lingayats, 284 households were in debt to the tune of Rs 4,87,765. The large number of households (166) with higher income group i.e., Rs 101 and above per month had incurred a total debt of Rs 4,62,663, being 64% of the total debt; and only two families out of 20 on the lower income group (i.e. Rs 25 and below per month) had availed Rs 250 on debt. This tendency indicates that the percentage of indebted families generally increases in direct proportion with their income. Of the total outstanding debt, the land owning class and

the cultivators together accounted for Rs 4,35,146 or nearly 89% of the total outstanding debts of the village while the non-cultivators accounted for only Rs 52,619 or 11% of the total debt. This great disparity was mainly due to the fact that three households from cultivating class had obtained large-sized and long-run loans. The survey also revealed that 81% of the debt was incurred for productive activities like agriculture (9%), manufacturing industry (63%), commercial activities (5%), etc., and 19% was for non-productive purposes. Regarding the causes of debt, 128 households together had incurred 12.5% of the total debt to satisfy their daily wants, 115 cultivators had borrowed money (8% of the total debt) to meet the expenses for cultivation; 53 households had taken 5% of the total loans to meet marriage expenses, etc. Regarding the sources of credit, the survey indicated that if the big land holders had a recourse with banks, the smaller percentage (19%) had transactions with money lenders, charging interest ranging between nine to 18% and only about 8% of the total debt was borrowed from co-operatives; while the loans advanced by the Government, i.e., *tagai* was about 4% of the total debt. In limited cases, the interest was chargeable in kind i.e., a bag of paddy (1½ imperial maund) per year for an outstanding loan of Rs 100.

### **Lead Bank Scheme**

Soon after the Bank Nationalisation (1969), number of steps were taken by the Reserve Bank of India for correcting the regional imbalances in respect of availability of banking services in different parts of the country. Under the scheme, the bank, so appointed as the lead bank is required to conduct impressionistic survey of the district to assess the credit gaps of various sections of the economy and to identify the growth centres. The scheme envisages increasing involvement of banks in the rural development in a planned and co-ordinated manner. The Syndicate Bank, one of the leading nationalised banks having the largest number of branches (41) in the district was entrusted with this task. Accordingly, the lead bank survey of the district was undertaken in August 1970, and an action programme for the district was also prepared in 1974.

The second round District Credit Plan for 1980-82 provided the credit requirements of Rs 26.69 crores allocating Rs 14.36 crores for agriculture, Rs 3.33 crores for small scale industries, and Rs 9.00 crores for tertiary sector to various financial institutions of the district. Due to the active co-operation extended by the financial

institutions and other agencies, the over all achievement recorded was (35.39 crores), 132.57 per cent of the allocation. The third round district credit plan for 1983-85 allocating Rs 25 lakhs among as many as 17 financial institutions including Karnataka State Finance Corporation has been prepared and launched by the bank. The main objectives of the third round District Credit Plan are removal of unemployment, rising the standard of living and to provide some of the basic needs of the people belonging to weaker sections. Recently (1984) for the first time, in the country, the Lead Bank has adopted the entire Uttara Kannada for its all-round development, and it has sponsored a Grameena Bank known as the Varada with headquarters at Kumta and during October 1984 and till April 1985 the Bank has opened branches at Idgunji, Kagal and Konar.

### **D R I Scheme**

The Differential Rate of Interest Scheme was introduced by the Central Government in 1973 to extend financial assistance to a specified weaker section of the society. Under the scheme, loans for productive purposes are being granted at four per cent interest per year by nationalised and non-nationalised banks with the responsibilities of the lead bank and Regional Rural Banks (Grameena Banks). Persons whose annual income does not exceed Rs 3,000 in urban area and Rs 2,000 in the rural area, agriculturists with small holdings not exceeding one acre of irrigated land or 2.5 acres of dry land and landless labourers are eligible for assistance under the scheme, whereas members belonging to Scheduled Castes and Scheduled Tribes are eligible for loans, irrespective of their land holdings. By the end of March 1984, the total D R I advances in the district by 12 banks was accounted to Rs 140.30 lakhs comprising 13,927 accounts and major portion of this advance was made by three banks viz. Syndicate Bank (Rs 60.65 lakhs), State Bank of India (Rs 26.29 lakhs), and Canara Bank (Rs 27.59 lakhs).

### **Karnataka Debt Relief Act 1976**

The Karnataka Debt Relief Act, mainly aims to extend relief to the debtors like small and marginal farmers, landless agricultural labourers and other economically weaker sections of the Society whose annual income did not exceed Rs 4,800 (since November 15, 1979). Under the provisions of this Act, debts (including interest outstanding) are not recoverable from any movable or immovable properties belonging to the debtors of those categories. All civil suits pending before the courts and decrees obtained by the creditors

for the recovery of loans were annulled and goods pledged are to be returned and every mortgage executed by the debtor stands redeemed and properties so mortgaged are to be released in favour of the debtor. Loans secured from the Central and State Governments, Co-operative Societies, Companies, etc., are not covered under this Act. By the end of March 1983, the total number of applications received seeking relief in the district was 556, involving an amount of Rs 8,24,840 and of them, 544 applications were disposed off amounting to Rs 6,64,561.

### **Bonded Labour**

Old records attest the existence of the system of bonded labour about 100 years back (1880-82) in Sirsi-Siddapur area. Labour was pledged or mortgaged like land for loans and interest on it ranging between 12 to 25% by the men of lower classes for household work and for labour in the gardens. It is evident that in most of the cases loan was raised to meet marriage expenses. The monthly service of a man of good working capacity was generally valued at Rs 2 p m with food and clothing and at double the rate (Rs 4) without food and clothing. Money lender had no right to the services of debtor's wife and children unless an express stipulation was made in the bond. Since the civil courts were not entertaining such cases, there was no legal redress to the master in case the labourer refused to serve inspite of a written bond. It is recorded that about 20 labour bonds were brought for registration in Sirsi and Siddapur taluks in the year 1880.

*Abolition of Bonded Labour :* The Bonded Labour System (Abolition) Act 1976 was passed by the Parliament to abolish the evil system. Accordingly, all obligations of such debtors (bonded labourers) to do labour either by himself or through members of his family are deemed to have been extinguished and debts payable to the creditors together with interest outstanding are deemed to have been discharged. The Government, has started various schemes for the rehabilitation of these people. Since its inception, upto the end of March, 1983, the total number of bonded labourers identified and released in the district was eight and of them six were from Siddapur taluk and one each from Sirsi and Bhatkal and of the released, seven belonged to Scheduled Castes and Scheduled Tribes.

## BANKING

The beginning of the modern commercial banking activities of the district can be traced back to the closing years of the third decade of the present century. The Syndicate Bank took initiative in opening its first branch outside Dakshina Kannada at Kumta, being the first branch of the commercial bank for the district in 1929 followed by its second branch at Karwar in 1931, and then at Honavar (1933), followed by Sirsi, Ankola (1934) and Bhatkal (1936). Before the advent of modern commercial banking activities in the district, the banking requirements of the district were catered to a certain extent by the local urban co-operative banks which had started functioning by about 1912-13 and also by the branches of Bombay based co-operative bank (Shamarao Vittal Co-operative Bank). According to available sources, the local banking institution known as the Bank of Rural India Ltd., originated at Karwar in 1944 with a paid up share capital of Rs five lakhs had its branches in all taluk headquarters besides branches at Hubli and Dharwad. However, this local bank ceased to function since 1951. By 1939, the Agricultural and Industrial Bank Ltd., Kundapur (1934) had opened its branch at Karwar, but was liquidated in 1953. Similarly, the Bank of Citizens Ltd., Belgaum, had opened its branch at Karwar in 1944 and was operating here until its merger with the present Corporation Bank in 1961 and before its merger, it had branches at Ankola, Sirsi, Kumta and Haliyal in addition to Karwar. Before independence, the district had about eight branch offices of commercial banks and of them, six were of Syndicate Bank.

During 1950-1960, the other banking companies, viz., Canara Bank (1953), The Imperial Bank of India, (which later, in July 1955, became State Bank of India) had opened its branch at Karwar in February 1955. Vijaya Bank (1959) and Corporation Bank (1960), entered into the banking business of the district. In 1963, State Bank of Mysore opened its first branch at Dandeli. By the end of 1966, the Karnataka Bank Ltd., entered the district by opening its first branch at Dandeli, followed by a branch of Indian Overseas Bank at Belekeri in March 1972. Two banks from outside the State viz., Indian Bank and Bank of Maharashtra opened their branches at Sirsi and Karwar respectively in 1976. In the same year, the Vysya Bank Ltd., opened its first branch at Karwar. On the eve of Nationalisation the banking structure of the district was very narrow and sporadic with only 30 branches spread over 16 centres. Two



taluks of the district (Mundgod and Supa) had no banking facilities. By the end of 1966, the total deposits and advances of 23 branches of the district were accounted to Rs 470 and Rs 114 lakhs respectively, and C D ratio being 24%. In the above period, deposits and advances per branch office worked out to Rs 20 lakhs and Rs five lakhs respectively while the population served per branch for the district stood at 30,000. The *per capita* deposit and advances were reckoned at Rs 60 and Rs 15 respectively.

### **Rapid expansion**

After Nationalisation, the liberal policy adopted by the R B I in respect of geographical expansion of branches with special stress to cover rural and unbanked centres, implementation of Lead Bank Scheme and other following measures, viz., increasing banking consciousness in the general public, growing credit needs of the priority sectors, improvement in the infra-structural facilities, etc., contributed to the expansion of the net-work of bank branches in the district. By the end of July, 1974, the total number of branches in the district increased to 74. The tempo of expansion was again observed during 1975-76 and in 1976-77 when branches at the rate 12 per year added. Taking into account the predominantly rural character of the district, banks opened more than 75% of their new offices in rural areas with less than 10,000 population resulting in the increase in the number of bank centres to 46 (1974) as against 16 (1969). By the end of 1975, the total deposits mobilised and advances of the branches (80) in the district was accounted to Rs 19.67 crores and Rs 7.73 crores respectively as against Rs 6.89 and Rs 1.75 crores in 1969, and C D ratio was 39% in 1975 as against 25% in 1969. On an average, per branch office deposits and advances in the district increased to Rs 25 lakhs and Rs 10 lakhs in 1975 as against Rs 20.26 lakhs and Rs 5.15 lakhs in 1969 respectively. The *per capita* deposit and advances stood at Rs 219 and Rs 86 respectively in 1975 as against Rs 81 and Rs 20 respectively in 1969. The population served per branch office was reduced to 11,000 by 1975 and in this respect the district ranked 3rd in the State, next only to Kodagu and Dakshina Kannada which was less than all Karnataka (17,000) and all-India (30,000). In 1975, the area served per branch of commercial bank in the district was 128 sq km as against 332 sq km per bank during 1969. This was better when compared to State figure of 149 sq km per branch as in June 1972. During this period (1969-1975) the share of the rural deposit which was 18% of the total

deposit on the eve of nationalisation increased to 34% as in June, 1974. During the above period, the total advances increased from Rs 1.39 crores to Rs 4 crores, and more than 50% of the total advanced was dispensed by the rural branches and that of priority and neglected sectors received major share (62%) of the total advances as in December, 1975. The total number of branches stood at 101 by the end of 1977. There was a second phase of nationalisation in 1980. Towards the end of 1983, the total number of branches in the district increased to 117 and of them 73 were rural and the rest (44) were semi-urban. Of the total branches, public sector banks commanded as many as 103 branches. Among the non-nationalised banks, Karnataka Bank Ltd., had 12 branches and Vysya Bank Ltd., had two branches.

Regarding the geographical distribution of branches as in 1983, there is imbalanced growth even within the area where similar socio-economic and geographical conditions exist. The five coastal taluks together had 67 branches, comprising 42 rural and 25 semi-urban, and even among the coastal taluks, higher concentration of branches is found in Karwar taluk (19) followed by Kumta (17) and Honavar (5). The six up-ghat taluks together possess 50 branches of which 31 are rural and 19 semi-urban and the largest of them (14) are in Haliyal taluk followed by Sirsi taluk (13). The population served per branch office in the coastal region worked out to 8,000 as against, 10,500 in the up-ghat region of the district. The distribution of bank offices even among the towns varies according to their commercial and industrial importance. By the end of 1983 the aggregate deposits of commercial banks in the district had increased to Rs 80.67 crores while the advances made were Rs 38.88 crores and of them share of the priority sector advances stood at Rs 25.36 crores, being 65% of the total advances. The per branch deposits and advances worked out to Rs 59 and Rs 28 lakhs respectively. The total number of bank employees as reported was 1,372 in December, 1983. The following table shows the banking development in the district for some years from 1966 to 1984.

(Amount in lakhs)

<i>Year ending December</i>	<i>Deposits</i>	<i>Advances</i>	<i>No. of Branches</i>
1	2	3	4
1966	470	114	23
1968	598	199	26

1	2	3	4
1969	689	175	34
1972	1,128	332	64
1975	1,967	773	80
1978	3,143	1,163	104
1980	4,758	2,169	105
1981	5,785	2,678	108
1982	6,903	3,176	111
1983	8,067	3,888	117
1984	9,361	4,913	121

Source : 1) R B I, Bangalore 2) Lead Bank.

The Table hereunder shows the banking statistics of the District as at the end of December, 1984

(Amount in lakhs)

Name	Total number of branches	Aggregate deposits	Advances	C D Ratio	D I R Loans	% of P.S. advances to total advances
Syndicate Bank	44	4,048.65	2,669.06	66	60.65	69
Canara Bank	15	1,237.33	475.65	38	27.59	76
Vijaya Bank	13	607.90	365.35	59	4.86	66
Corporation Bank	9	690.57	334.92	48	6.68	79
State Bank of India	11	1,374.02	309.35	23	26.29	77
State Bank of Mysore	9	414.58	226.90	55	1.14	28
Indian Bank	2	171.87	49.08	29	7.33	70
Indian Overseas Bank	2	63.21	90.98	144	2.27	83
Bank of Maharashtra	1	59.95	22.04	37	0.20	90
Central Bank of India	1	24.12	72.99	303	0.08	6
Karnataka Bank Ltd	12	544.26	225.57	41	2.52	61
Vysya Bank Ltd	2	124.63	75.99	61	0.69	67

Source : Lead Bank Cell, Karwar.

*Earliest Joint Stock Co* : According to 'Havyaka Subhodha', a Kannada journal of Bombay, a joint stock co., existed as early as in 1887 called "Honnenahalli Netam Anyonya Sahayaka Company" functioning at Honnenahalli or Swarnavalli near Sonda.

*Finance Corporations :* These monetary institutions which are local in character, by and large, termed as finance Corporations, also play a significant role in financing local trade, commerce and industry in addition to deposit accretion. The main activities of these Corporations are to advance loans, to conduct chits, and to accept deposits. They also make advances for agricultural and industrial operations, etc. They undertake money lending under the provisions of the Karnataka Money-Lenders Act, 1961. Generally, interest rates offered by these enterprises being higher, they are able to tap considerable amount of deposits from the local public. At present (1984), there is only one registered finance Corporation in the district at Sirsi known as Jayashree Finance Corporation functioning since June 1975 with a share capital of Rs 40,000. The total deposits mobilised by the Corporation during the last three years i.e., 1983, 1982 and 1981 stood at Rs 2.74, 2.00 and 3.18 lakhs as against the total advances of Rs 13.02, 10.37 and 11.69 lakhs respectively.

## INSURANCE

### **Life Insurance Corporation of India**

Prior to the nationalisation of life insurance business and establishment of the Life Insurance Corporation of India in 1956, many private companies like New India Co., Bombay Life Co., Canara Mutual Co. (Udupi), United Karnataka Insurance Co., and Swaraj Life Insurance Co., both from Dharwad had engaged in the life and general insurance business in the district and had substantial business. The insurance consciousness in this region is said to be one of the highest degree in the State. Until the establishment of Sirsi branch office in 1963, the area was controlled by Hubli branch office under Udupi Division. A spectacular growth in the insurance business of the district took place since 1970 when a separate divisional office was opened at Dharwad comprising of eight districts including Uttara Kannada, followed by the second branch at Kumta in 1974. Two more branches were opened at Karwar (1981), and Dandeli (1983). It is reported that the district has the lowest branch office population ratio in the Dharwad Division when compared to other districts of the Insurance Division. L I C has assisted Kalinadi Project to the extent of Rs 10 crores, apart from huge investment to the extent of Rs 21 crores in the bonds of Karnataka Power Corporation. The other investments made by the L I C in the district

include Rs 32 lakhs for the underground drainage scheme of Bhatkal Town and Rs 4 lakhs (upto the end of March 1982) for its water supply scheme. The Sirsi Municipality has availed the assistance to the tune of Rs 17.50 lakhs for implementing sewerage scheme while Karwar Town has received Rs 16.67 lakhs for its water supply apart from direct industrial aid to certain industries in the district. The Corporation also does the business in group insurance which covers thousands of employees of different tile factories, co-operatives, bank employees and other industrial workers in the district. The table given below indicates the branch-wise particulars of Life Insurance business in the district as at the end of March, 1983.

<i>Branch</i>	<i>Territorial Jurisdiction</i>	<i>No. of policies in force</i>	<i>Sum assured Rs in crores</i>	<i>Annual premium income Rs in lakhs</i>	<i>No. of Agents</i>	<i>No. of Development officers</i>
Sirsi	Taluks of Sirsi Siddapur, Mundgod & Yellapur	21,781	19.60	48.77	142	6
Kumta	Bhatkal, Honavar & parts of Kumta	20,319	10.85	43.76	119	4
Karwar	Karwar, Ankola & parts of Kumta	19,733	19.65	43.70	128	5
Dandeli	Haliyal & Supa	12,952	12.50	42.00	87	3
Govt. Salary Deduction Policies		11,750	9.50	24.00	—	—
<b>Total</b>		<b>86,535</b>	<b>72.00</b>	<b>201.23</b>	<b>476</b>	<b>18</b>

### **Karnataka Government Insurance**

The Karnataka Government Insurance Department is also engaged in insurance business in the district both in life and vehicle insurance, but business is confined only to the employees of the State Government and the vehicles of the State Government including the vehicles of undertakings managed by the State and Semi-Government organisations. Consequent on the reorganisation and decentralisation of the department in 1976 the District Insurance Office was opened in Karwar in April 1976 covering the entire district. By the end of March 1983, Government Employees covered under this insurance totalled 10,060. The annual premium income of the district during

1982-83, 1981-82 and 1980-81 was Rs 36.23 lakhs, Rs 32.24 lakhs and Rs 28.90 lakhs respectively, while the progressive sum assured in respect of policies issued in the District Insurance Office during 1982-83, 1981-82, 1980-81 was reckoned at Rs 73.46 lakhs, Rs 68.57 lakhs Rs 39.17 lakhs respectively. The premium income in respect of vehicle insurance in the district was Rs 55,437, Rs 17,330 and Rs 11,514 during 1982-83, 1981-82 and 1980-81 respectively. The District Insurance Office also administers Family Benefit Fund Scheme (since 1977) in the district covering the employees of Municipalities, certain Boards and also employees of the aided educational institutions in the district.

### **Ashakiran**

Ashakiran ('Ray of Hope') is a social security oriented welfare measure extending group accident insurance exclusively for the benefit of unorganised labourers, ushered in the State from 15th September 1982. The scheme at present covered as many as 30 distinct categories of workers such as agricultural labourers, fishermen, beedi workers, toddy tappers, village carpenters, barbers, black-smiths, cart pullers, goldsmiths, construction workers, rickshaw pullers, etc. The accidents covered under the Scheme are rail or road accidents, those caused by snake-bite, attack by wild animals, electric shock, fall from tree, drowning in water, etc. The relief given under the scheme will be Rs 2,000 in case of death or loss of two limbs or two eyes, and will be Rs 1,000 for loss of one-eye or one limb. The scheme extends the benefit only to those whose annual income does not exceed Rs 6,000 of the deceased in case of death, and claimant in other cases, the claimant should be of the age between 16 and 65. Under the scheme, the annual premium rate per person is fixed at Rs 1.28 which will be paid by the State Government. By the end of March 1983, totally 10 claims were settled in the district and the amount paid was Rs 20,000.

### **Drive for Savings**

Accretion of small deposits through the post offices was introduced in the district as early as in 1873. The National Savings Organisation arranges several special savings drives at the district and taluk levels and mobilises savings through the sale of National Savings Certificates including Social Security Certificates which are very attractive. For the first time, mobilisation of small savings through the sale of National Savings Certificates was introduced in the district during 1959. Prior to this, Treasury Savings Deposits (income-tax free)

with annual interest of 3½ per cent were very popular in the district during 1951. Besides these certificates, the other modes are savings bank account, cumulative time deposits, recurring deposits, time deposits and public provident fund (PPF) for regular wage earners and others. The total number of post offices in the district with Savings Bank facilities was 477 during 1982-83. The total amount of aggregate savings bank deposits during 1982-83 was Rs 115.06 lakhs as against Rs 645.31 lakhs and Rs 577.90 lakhs during 1981-82 and in the previous year. The collective deposits held under recurring deposit accounts during 1982-83, 1981-82 and 1980-81 stood at Rs 59.17, 55.42 and 46.16 lakhs respectively. The money so accelerated under cumulative time deposit accounts was reckoned at Rs 24.38, 9.52 and 21.66 lakhs respectively in the above years while deposits held under fixed deposit account stood at Rs 97.27 lakhs during 1982-83 as against Rs 108.28 and Rs 102.70 lakhs in the previous two years respectively. The total value of National Savings Certificates of all denominations and all series sold in the district during the last five years (1978-79 to 1982-83) amounted to Rs 340.83 lakhs while the total value of Social Security Certificates sold in the above duration was Rs 67,100 in the district. The targets fixed for the district under small savings for 1983-84 was Rs 580 lakhs as gross and Rs 270 lakhs as net while the progress achieved by the end of March 1984 was accounted to Rs 695.18 lakhs as gross and Rs 416.61 lakhs as net.

#### Karnataka State Lottery

There has been considerable response in this district to the Karnataka State Lottery Scheme being conducted by the Government since 1970. Twenty five per cent of the prize amounts of Rupees one lakh and above and 10 per cent of the prize amount below rupees one lakh and upto Rs 5,000 are to be invested in the form of National Savings Certificates, in addition to paying income-tax and surtax as per rules in force on all winnings exceeding Rs 1,000 at the source. The approximate number of State's lottery tickets sold in the district during 1980-81, 1981-82 and 1982-83 was 13.64, 13.37 and 15.13 lakhs respectively while the number of sub-agents during the years was 88, 69 and 74 respectively.

#### Coinage and currency

In the course of history, through the centuries, many changes have taken place in the currency and coinage system with the rise and fall of the dynasties ruling over the district. There used to be great variations in contents, designs, sizes and weights, etc., in the

numismatics which were in vogue. The Chutus as well as the early Kadambas of Banavasi issued coins and their lead and punch-marked coins have been found. The Roman coins of gold and silver were also in circulation in the district. The Kadambas of Banavasi are considered as originators of the coin known as 'Padmatankas'. During the Vijayanagar rule, coins made of gold and copper were in wide circulation and the important denominations of Vijayanagar coinage included *varaha* or *gadyana* (also called *pagoda* or *pon*), *pratapa*, *kati*, *pana*, *haga*, *tara*, *jital* and *kasu*. The Gersoppa feudatories also issued their coins.

According to old records, the popular coinage of the district included *varahas* or *pagodas*. Later during the time of Haider Ali, the *varaha* was styled as Haideri *gadyana*. During the reign of Tipu Sultan, the *pana* or *hana* in currency was called Sultanihana. Of the copper coins, there were Tipu's *ane duddu* bearing the impress of an elephant, worth fourteen for a *hana*, the *ghatti-duddu* (*dhabu*) worth two *ane-duddu* and the *kasu* worth  $\frac{1}{2}$  *ane-duddu*. Though, *varaha* was no longer current, it was still in use as a measure of weighing by goldsmiths. By about 1843, the coins of the East India Co., were generally accepted as a standard medium of exchange. The Surat and Madras (silver) rupees which were in currency in the district were exchanged for  $\frac{1}{4}$  of *pagoda* or *varaha*. They weighed one tola. The coins issued by the British Government were copper, nickel and silver. Copper coins included in the denominations of pie, *tara* or two pies, *mukkalu* or *duddu* (3 pies) and *ardhane* (half anna). Nickel coins were in the denominations of *ane* (anna), *chavala* (two annas), four *ane* or *pavali*. The silver coins in circulation were *dodda ane* (2 annas), *pavali* (four annas), *ardharupayi* (half rupee) and one rupee. Rupee had 16 annas, an anna 12 pies. After independence, the different currencies which were in circulation were replaced by the Government of India currency and new emblem of the Government of India appeared on the coins and notes. An amendment to the Indian Coinage Act 1906 was passed by the Parliament in August 1955 for bringing into force the decimal coinage system, coming into force from 1st April, 1957 in all parts of India.

#### CO-OPERATIVE MOVEMENT

Co-operative movement being considered as one of the important sectors of the economy is playing a significant part in the economic development of the district. The district is an advanced one in the



State in this regard. During the period of nearly eight decades (1905-1985) co-operative institutions of the district as in the case of other districts have undergone several changes with vast diversification in their activities to match the socio-economic changes that have taken place. Some of them have set an example of being model institutions. The Co-operative Societies Registration Act III of 1905 provided the way for institutionalised agricultural credit by formulating credit societies with special emphasis on rural area. The history of the movement confining to this district dates back to 1905 when the Sirsi Rural Co-operative Credit Society was founded and later reconstituted as Urban Bank in 1913. It was followed by a number of credit societies in various parts of the district.

The passing of the Co-operative Societies Act 1912 not only recognised the formation of co-operatives other than credit but also encouraged a large number of agricultural non-credit and non-agricultural credit and other co-operatives. Among the agricultural credit societies, large-sized multi-purpose society founded at Mundgod in 1911 was the first of its category followed by similar societies at Haliyal in 1912 (now Raitara Seva Sahakari Sangha, Haliyal) and at Pala (Mundgod taluk) in the next year. Among the non-agricultural credit societies, Sirsi Charmakarara Paraspara Pattina Sahakari Sangha Ltd., Sirsi was registered in 1911 (now defunct). In the meanwhile, to cater to the growing credit requirements of the urban credit co-operative banks and salary earners credit societies came into being. Among the urban banks, the one at Karwar was the first, founded in 1912. During the same year another urban co-operative bank came into being at Kumta. To cater to the needs of Totgars of Sirsi, Siddapur and Yellapur area the Totgars' Co-operative Purchase Distributive and Credit Society Ltd. was started at Sirsi in 1913 (reconstituted as Rural Bank in 1962). Till the opening of the first branch of the commercial bank (1929) the banking requirements of the Urban areas was catered to by the Urban Co-operative Credit Banks in the district. In order to mobilise men and resources, credit societies were sponsored in the name of the individuals and communities between 1917-1920, viz., the Honavar Havyak Co-operative Society (1917), followed by Kanara Catholic Credit Society at Karwar (1918). But these were short lived. The first primary fisheries co-operative was started when the Harkantra-Kharvi Fisheries Society at Karwar was founded (1915), followed by the Majali Society (1921).

The establishment of the District Central Co-operative Bank of

Sirsi in 1920 being the Central financing agency for affiliated co-operatives in the district gave a fresh momentum to the spread of the co-operative movement. The establishment of Sirsi Totgras' Co-op. Sale Society (21-9-1922) and Kumta Arecanut Co-operative Society (30-10-1922) was very significant in providing better marketing as well as credit facilities to areca growers. By 1925 the total number of all societies was 75 as against 12 by the end of 1915. In 1925, the Bombay Co-operative Societies Act classified societies in three broad categories viz., (a) Resources Societies, (b) Consumers' Societies and (c) Produce Societies, depending upon their chief aims and objectives. In order to provide medium and long term credit requirements of the agriculturists, the first Land Mortgage Bank for the district began to function first at Karwar in 1935. Establishment of the District Co-operative Board of Supervising Union in 1937 took the responsibility of the spread of co-operative education and training. During 1940-1950, different categories of co-operatives like taluk agricultural marketing societies (general), labour societies, farming societies, women's and other co-operatives came into being, expanding the orbit of the co-operative sector. By June 1950, the total number of societies of all categories was 264 with a total membership of 44,907 and their share capital being Rs. 11.18 lakhs.

By the end of June, 1954, co-operatives had served 1,081 villages (88.4%) and the total membership was accounted to 39,300 drawn from 330 co-operatives. The vital statistics for the year 1953-54 were: Number of members 39,300; Share capital Rs 15.41 lakhs; Working capital Rs 94.87 lakhs; Reserve and other funds Rs 16.00 lakhs; Deposits Rs 54.86 lakhs; Bank loans Rs 6.92 lakhs; Government loans Rs 1.28 lakhs; Loan advanced Rs 169.54 lakhs; Loans recovered Rs 164.77 lakhs; Loans outstanding with members Rs 49.42 lakhs; and Overdues Rs 8.80 lakhs;

Another special feature of the co-operative movement of the district was that there were the special types of societies for crop protection, fencing, dam construction, and taluk development boards, etc. The main functions of the crop protection societies was to protect crops from ravages of wild animals like pigs and monkeys by taking out hunting parties and these societies received aid from the District Development Board on the basis of number of animals killed. Puttanamane Crop Protection Society of Sirsi taluk (1949) was the first to be organised and it became defunct around 1952. The fencing societies were meant for protecting the crops from stray cattle and

pigs. The society founded at Hungund (1925) in Mundgod taluk was the first of its kind. The dam construction societies (three) registered in 1952-53 helped the cultivation of paddy by putting temporary bunds. Regarding Taluk Development Board Societies, it was the desire of the Government that all Taluk (Mahal) Development Boards should be registered under the Co-operative Societies Act and till their liquidation, these societies were doing the work of propaganda nature particularly for the furtherance of "Grow More Food". Co-operatives like consumers', industrial, housing, federal bodies, salt manufacturing, dairy, poultry, irrigation, fruit processing, etc., entered into the area during 1960 and onwards.

To have on effective supervision the office of the Assistant Registrar of Co-operative Societies was opened at Karwar in 1952 having the jurisdiction over the entire district under the control of the Divisional Deputy Registrar of Co-operative Societies of Belgaum Division. After the State Reorganisation (1956), in order to ensure more effective administration, supervision and control, the Office of the Deputy Registrar of Co-operative Societies was opened in 1966 at Karwar and later two more offices of the Assistant Registrar of Co-operative Societies were opened at Sirsi (1966) and Kumta (1977) covering each revenue sub-division. The total share capital invested by the Government in various Co-operatives of the district amounted to Rs 138.17 lakhs by the end of March 1983 which was further increased to Rs 145.79 lakhs in 1984. In the present set up, the district, has as many as 25 different kinds of societies broadly categorised into nine groups.

The number of Co-operative institutions of all categories and the total membership (given in brackets) for some years from 1950-51 to 1983-84 : 1950-51—290 (32,056) ; 1955-56—339 (44,832) ; 1959-60—453 (74,541) ; 1969-70—620 (1,31,670) ; 1974-75—640 (1,81,529) ; 1979-80—661 (3,34,873) ; 1980-81—671 (3,34,961) ; 1981-82—674 (3,34,985) ; 1982-83—682 (3,93,535) ; and 1983-84—652 (2,80,989).

The category-wise number of co-operative institutions registered in their membership (given in brackets) as at the end of June 1984 is as follow I. Agriculture Credit Societies : 1) KDCC Bank 1 (485) ; 2) Farmer's Service Co-operative Societies 3 (4,933) ; 3) Agriculture Credit Societies 163 (1,11,061) ; 4) Agriculture and Rural Development Bank 11 (45,450) ; 5) Rural Credit Bank 1 (2,884) ; 6) Agricultural Development and Service Societies 5 (1,139) ; and

7) Grain Banks and Societies 10 (1,198). II. Non-Agricultural Credit Societies: 1) Urban Banks 9 (42,696); 2) District Industrial Co-operative Banks (Branches) 5 (3,582); and 3) Employees Credit Societies 35 (13,553); i) Marketing Societies (including special for areca) 11 (29,847); and ii) Processing Societies 6 (1,429); III. Non-Agricultural Non-Credit Societies: 1) Tailoring Societies 3 (169); 2) Milk Dairy Farming 19 (3,368); 3) Transport Societies 3 (335); 4) Live-stock Societies 2 (123); and 5) Labour Contract and Construction Societies 57 (6,151); IV. Farming Societies: 1) Joint and Collective 24 (1,723); 2) Better Farming 2 (N A); 3) Tenant Farming 3 (N A); and 4) Lift Irrigation 4 (142); V. Housing Societies: 1) General Housing and Housing for SCs & STs 37 (2,132); VI. Consumer Co-operatives: 1) District Co-operative Wholesale Stores 2 (1,488); and 2) Primary Consumer Store 65 (32,105); VII. Industrial Co-operatives: 1) Tile Factories 4 (888); 2) Handloom Weavers 6 (107); and 3) Other than Handloom Weaving 138 (14,836); and VIII. Other Societies: 1) Fisheries Societies 29 (16,324); 2) District Fish Marketing Federation 1 (1,791); 3) District Co-operative Union one (180); and 4) Women's Societies 17 (1,521).

It is reported that by the end of June 1984, the number of societies under liquidation was 131, mostly comprising of hand pounding, supervising unions, taluk development societies, labour societies, industrial co-operatives and others. During 1983, out of 1,06,317 agricultural families of the district (including 8,443 Scheduled Caste and Scheduled Tribe families) spread over in more than 1,283 villages, the number of families brought under the purview of co-operative fold was 1,03,814 comprising 34,936 small and marginal farmers, 15,405 agricultural labourers and the rest (53,473) being others. The number of Scheduled Caste and Scheduled Tribe families brought under the fold of co-operative movement was 6,676. The coverage of membership is reported at about 96 per cent in case of general population and about 79% in case of Scheduled Castes and Scheduled Tribes. The total term loans made available for the purpose of agricultural development in the district during 1982-83 and 1983-84 was Rs 973.16 and Rs 1013.15 lakhs respectively which was more than the target fixed. The amount of loan sanctioned to the SC and ST members during 1983-84 and in the previous year was Rs 13.67 and 16.01 lakhs respectively. The demand, collection and balance of agricultural loans (ST, MT and LT) for 1983-84 stood at Rs 863.86, lakhs Rs 601.28 lakhs and Rs 262.58 lakhs respectively and the percentage of recovery was 73.3%. The interest concession on

pending arrears on agricultural loans availed by the farmers in the district during 1983-84 was Rs 23.06 lakhs as against the claims received for Rs 105.68 lakhs, the highest being from Sirsi Division (56.52 lakhs) followed by Kumta (Rs 19.44 lakhs).

The table given below indicates the periodical progress of the Co-operative Movement in the district for some years during 1970-71 to 1983-84.

(Amount in lakhs)

Particulars	Years			
	70-71	75-76	81-82	83-84
Number of Co-operative Societies	625	662	674	652
Membership	1,44,283	1,926.43	3,349.85	2,80,989
Share capital	259.33	473.83	607.32	770.42
Reserve and other funds	127.67	206.53	488.07	648.56
Deposits	494.00	895.69	2,468.17	1,742.99
Borrowings	713.28	1,419.57	1,844.00	1,131.58
Working capital	1,594.32	2,508.10	4,444.76	3,921.11
Loans advanced	1,723.13	2,760.40	4,411.50	2,413.53
Loans recovered	1,591.07	2,002.10	4,103.55	1,942.17
Loans outstanding	994.81	1,638.79	3,162.88	2,396.73
Loans overdue	126.26	320.18	826.81	462.67
Profit	21.06	53.50	108.78	115.89

A brief account of some of the important categories of Co-operatives including district level Co-operatives is illustrated in the following pages.

### Kanara District Central Co-operative Bank

The Kanara District Central Co-operative Bank said to be a monitor and the spear-head of co-operative movement in the district came into being at Sirsi in June, 1920. In 1921 the Bank had 77 members, and of them, 48 were societies and 29 individuals, and had a share capital of Rs 28,600 and had mobilised deposits to the extent of Rs 39,230, while the loan advanced was Rs 51,584. In 1956, the bank had a total membership of 429 including 225 individuals, 204 societies with a total share capital of Rs. 1.58 lakhs. In 1958, the

State Government contributed a share capital of Rs 50,000. The total membership of the organisation by the end of June 1983 was 482 and share capital was of Rs 98.78 lakhs including the Government share of Rs 36.11 lakhs. The main functions of the bank are to cater to the short term credit requirements for seasonal agricultural operations and for marketing of crops. The crop loan system was introduced by the bank in 1959. Medium-term loans are also extended to agriculturists through primaries for various purpose like land improvement, dairying, purchase of bullocks, *gobar* gas plants, sericulture, etc. The Bank also extends finance to industries and rural artisans on a small scale. By 1982-83, the volume of credit granted accounted to Rs 650.50 lakhs of which Rs 579.91 lakhs were for agriculture, Rs 45.21 as other loans, while the share of the industries and consumption was of Rs 25 lakhs and Rs 0.38 lakhs respectively. The Scheduled Castes and Scheduled Tribes and other weaker sections had received as loan Rs 16.73 lakhs during 1982-83 as against Rs 5.07 and Rs 4.38 lakhs during 1981-82 and 1980-81 respectively. The total accretion of bank deposit by the end of June 1983 stood at Rs 14.34 crores at all its branches. The first branch of the bank was opened at Kumta in 1941. By the end of June, 1983, the bank had 32 branches at several places in the district in addition to three divisional offices, one for each revenue sub-division. Being the central financing agency for the district, the bank has launched several diversified loaning operations covering all important activities. Under the Agricultural Refinance Corporation's Scheme the bank started financing fisheries development and pineapple cultivation in the district as special schemes. Under I R D P, the bank has been providing loans to small and marginal farmers and agricultural labourers and the scheme is being implemented by the District Rural Development Society (DRDS), Karwar. The total finance extended by the bank under D R D S was of Rs 49.90 lakhs in 1982-83 as against Rs 10.70 lakhs in the previous year. For the promotion of agriculture in the district, bank had established Soil Testing Laboratory in 1967 at a cost of Rs 60,000. Since September 1978, the laboratory is entrusted to the Agriculture Department. Another venture of the bank is that it has sponsored three farmers service societies at Bhasgod (Ankola Taluk), Baad (Kumta taluk) and Haliyal. A portion of the profit earned by the bank is used for promoting socio-economic and educational activities in the district. This bank celebrated its golden jubilee in 1971. The total staff employed by the bank in June, 1983 was 235. The bank has been adjudged as one of

the best DCC Banks in the State for number of years for its outstanding services.

The sub-joined table indicates the periodical progress of the bank for some years between 1955 and 1984.

(Amount in Lakhs)

<i>Particulars</i>	<i>As at the end of June</i>			
	1955	1975	1980	1984
Total membership number	364	465	485	485
Total share capital	1.35	75.71	89.89	102.05
Reserve and other funds	0.85	49.98	114.17	149.95
Deposits	8.15	350.56	966.07	1,594.40
Borrowings	1.17	138.20	40.37	91.02
Working capital	11.52	614.45	1,210.50	1,997.54
Loans outstanding	6.10	510.49	754.69	1,333.90
Overdues	0.76	63.19	156.33	283.45
Net profit	0.10	10.52	11.67	9.77

### **Agricultural Credit Societies**

The primary agricultural credit societies have a dynamic role to play not only in strengthening the edifice of the co-operative movement at the grass-root level but also to widen the orbit of the movement. Among other things, the main functional activities of these societies are to meet short and medium term credit requirements of its members, supply of agricultural implements and requisites and to undertake the distribution of essential and other controlled commodities. Deposit accretion is also being made by these organisations. The societies with storage facilities will work as agents of T A P C M S in procurement of levy. During 1951-52, the district had 158 agricultural credit societies with a membership of 14,061, the share capital being Rs 7.94 lakhs and had collected deposits to the tune of Rs 7.16 lakhs. The advances made in the year were Rs 5.95 lakhs. By 1970 the number of such societies went upto 224 with a membership of 55,151. An amalgamation or reorganisation of these societies was made in the State during 1976-77 under the provisions of Section 14-A of the Karnataka Co-operative Societies Act, 1959. Consequence of it, the number of such societies was reduced.

During 1983-84, total loans advanced and recovered by these societies stood at Rs 815.89 lakhs and Rs 642.34 lakhs respectively. The deposits tapped were Rs 245.74 lakhs in 1983-84. By the end of June 1984, the total number of societies coming under this group in the district was accounted at 163 comprising service societies, Vyavasaya Service Societies, large-sized Multi-purpose Societies, three F S S and one Rural Credit Bank with a total membership of 1.11 lakhs and a share capital of Rs 197.80 lakhs including the Government share of Rs 42.16 lakhs in 1982-83. During the year 1981-82, the value of consumer goods, fertilisers and agricultural implements sold by these organisations in the district was accounted to Rs 255.11 lakhs, 84.72 lakhs and 3.43 lakhs respectively. The total produce loan advanced by these societies during 82-83 was Rs 28.47 lakhs as against Rs 37.51 in the previous year. The total number of people employed in these societies in the district was 638 in June 1980.

*Hulgol Service Co-op Society*: This Society was registered at Hulgol in July 1919. In 1954, it was reconstituted as a multi-purpose co-operative body and later in 1961 it was renamed as Hulgol Group Villages Service Co-operative Society and the office was shifted to Bhairumbe. Since 1960, the area of operation extended to 10 constituent villages coming under the jurisdiction of Bhairumbe Group Panchayat. The chief objectives of the society are: to cater to the credit requirements of its members, to arrange for pooling and marketing of agricultural produce, to supply improved seeds, agricultural requisites, etc. The society also provides transportation facilities for goods of the members on hire basis. Since 1950, the lending and other allied activities of the society has been expanded considerably and the society has achieved appreciable progress in all its spheres of activities. The membership of the organisation was about 20 in 1920 and it increased to 130 by 1950. By 1972-73 it rose to 380 with a share capital of Rs 1.76 lakhs. During 1982-83, the society had a membership of 614 and share capital of Rs 2.82 lakhs. The total loans advanced by the society for various purposes under different heads accounted to Rs 69.93 lakhs during 1978-79. This increased to Rs 127.21 lakhs by the end of June 1983. The total deposits tapped by the society during 1977-78 and 1975-76 stood at Rs 10.25 and 6.50 lakhs respectively which increased to Rs 26.55 lakhs by 1982-83. The organisation also manages a *poha* mill, cattle feed mixing unit and maintaining a tractor and trucks. Since 1966, the society is providing technical know-how in agriculture free of cost to its members. Dairy development activities of the society were started



in 1970 and the society purchases milk from members and arranges for artificial insemination facilities with the help of the University of Agricultural Science, Dharwad. Since 1960 the society is well managing the linking up of credit with marketing of agricultural produces by arranging for the pooling and marketing and by granting pledge loans. The total value of sale of agricultural produce like areca, pepper, cardamom and cocoa effected by the society during 1982-83 was Rs 50.16 lakhs as against Rs 43.36 and 46.11 lakhs during 1979-80 and 1980-81 respectively. The profit earned by the society for 1982-83 was Rs 1.03 lakhs as against Rs 61,000 in 1978-79 and Rs 20,000 during 1972-73. The society has celebrated its diamond jubilee in 1979-80. The total staff employed by the Society was 21 as in June 1983.

#### Farmers Service Societies

In accordance with the recommendations of the National Commission on Agriculture, a decision was taken by the Central and the State Governments in consultation with Agricultural Credit Department of Reserve Bank of India to organise Farmers Service Co-operative Societies in the State. The special features of these organisations are to have integrated credit services facilities to all the farmers in general and small farmers and weaker sections in particular. The jurisdiction of each society may normally extend to 10 sq km covering atleast 10 villages to make available a minimum lending capacity of Rs 10 lakhs. At present, in the district there are three F S C S sponsored by the D C C Bank during 1976-77 working at Bhasgod (Ankola tq), Baad (Kumta tq.) and Haliyal. During the year 1979-80, these three societies together had a membership of 4,000 with a share capital of Rs 6.39 lakhs and had mobilised deposits of Rs 2.92 lakhs and all the three had earned profits.

The table given below indicates the progress achieved by these societies during the years 1983-84.

		(Amount in lakhs)			
		1	2	3	4
		Bhasgod	Baad	Haliyal	
Number of villages	14	10	16		
Population covered	9.95	18.52	20.84		
Number of Members	9.89	18.76	20.68		
Share capital	1.06	2.09	4.68		
Deposits	0.43	0.83	2.12		

1	2	3	4
Reserve Fund	0.20	0.94	5.24
Borrowings	5.46	20.06	36.89
Working capital	9.14	23.92	48.93
Loans outstanding	2.10	15.37	40.05
Loans overdue	0.18	3.56	20.77
Loans advanced	2.50	11.14	26.53
Loans recovered	2.02	7.75	13.09
Profits	0.44	—	—

Source : Deputy Registrar, C S Karwar.

### Agriculture and Rural Development Banks

Land development banks, earlier known as land mortgage banks are now known as Agriculture and Rural Development Banks. The North Kanara District Central Co-operative Land Development Bank Ltd., was incorporated at Karwar in 1935 (and later shifted to Sirsi in 1958). In order to give adequate consideration to the long term credit requirements of the coastal region in particular, the second land development bank in the district was incorporated at Kumta in 1966, named as the Coastal Line Co-operative Land Development Bank Ltd., exercising jurisdiction over Kumta, Ankola and Karwar taluks. In the meanwhile, during 1969 to 1973, similar banks were established for other taluks; Honavar (1966), Mundgod (1967), Yellapur and Haliyal (1969), Supa at Jagalbet (1971), Bhatkal (1972), Ankola (1972) and Karwar (1974). Regarding Siddapur taluk, (earlier under the jurisdiction of bank at Sirsi), from 1970-71 the separate functional activities of land development bank were entrusted to Sarvodaya Multi-purpose Co-operative Credit Society (1965) Siddapur. In 1969, a branch office of the Karnataka State Agricultural Rural Development Bank, Bangalore, was opened at Sirsi. These banks are considered as the most important institutional agencies in catering to the farmers' long-term investment commitments. At present, as per the norms and guidelines of NABARD, the activities of these banks have been diversified for lending which include dairy development, sheep rearing, piggery, sericulture, horticulture, installation of *gobar* gas plants, etc. Recently, these banks have been entrusted with the task of extending financial assistance to the tenants in connection with confirmment of occupancy rights, specially the small and marginal farmers and other weaker sections.

The State Government has a financial participation in many of these banks in the form of share capital. By 1971-72, eight Land Development Banks together in the district had a membership of 6,000 with total share capital of Rs 8.48 lakhs and the total loans advanced were Rs 29.38 lakhs. By 1975-76, the eleven banks had 14,466 members and Rs 21.94 lakhs as share capital. During 1983-84 under Karnataka Development Programme, the P L D Banks of the District were given the target of sinking of 400 irrigation wells and installation of 170 I P Sets. By the end of 1983, the physical target achieved was 106 wells and 174 I P sets. All the P L D Banks in the district were eligible for unrestricted finance during 1983-84.

The table given below indicates the consolidated working results of these banks for some years during 1973-74 to 1983-84.

(Amount in Lakhs)

Particulars	1973-74	1977-78	1983-84
Number of Banks	10	11	11
Membership	8,961	25,674	45,450
Share capital	12.93	27.53	53.30
Reserve and other funds	0.98	4.79	12.19
Deposits	0.58	2.47	4.69
Borrowings	132.48	319.41	559.67
Working capital	146.97	354.20	629.85
Loans advanced	33.47	56.41	145.43
Loans recovered	6.98	17.80	64.52
Loans outstanding	132.74	324.96	525.75
Overdues	2.17	8.78	21.72
Profits	1.00	1.60	2.78

As an illustration, the ARD Bank working at Honavar has been dealt in the following paragraphs :

*A & R D Bank, Honavar* : It was the first land development bank to be registered in the district after the Reorganisation of the State and the second P L D Bank in the district to be registered in 1966. Until the formation of a separate P L D Bank for Bhatkal taluk in 1972, the area of operation was confined to Honavar and Bhatkal taluks. In the year of inception (1965-66), the bank had 208 members with a share capital of Rs. 5,000.

During the 1970's 1980's the bank recorded good progress in its working results. The diverse lending activities of the bank included schemes like sinking of irrigation wells, development of coconut, sericulture, cocoa, cashewnut in addition to loans for IP sets, land reforms and general schemes. The total amount of loans granted by the bank for the above schemes during 1980-81, 1979-80 and 1978-79 were to the tune of Rs 14.47, and 9.35 lakhs respectively and the corresponding figures of such advances for 82-83 and 81-82 were reported as Rs 19.00 and 19.64 lakhs respectively. The percentage of recovery effected by the bank during 1982-83 was 87 per cent as against 91 per cent in 1974-75 and 86 per cent in 1977-78. The Bank is earning profit since 1970-71. Under a pilot project, recently launched by the bank, the needy agriculturists are provided loan services at their door-steps by the bank. It is one of those banks in the State which has been given self-financing facility by the Central Financing Agency upto Rs 10,000. During 1976, the bank constructed its own building at an estimated cost of Rs 92,564.

The table given below indicates the periodical progress of the bank for the years 1975, 1978, 1980 and 1983.

(Amount in lakhs)

Particulars	Year as on 30th June			
	1975	1978	1980	1983
Membership 'A' Class	1,528	2,473	3,378	4,045
'B' Class	702	1,728	2,473	3,403
'C' Class (Govt.)	1	1	1	1
Share capital :				
Government	1.95	3.12	3.96	6.33
Reserve & other funds	0.34	0.99	1.28	2.08
Borrowings	20.96	37.41	48.89	80.09
Working capital	23.27	41.63	54.14	88.50
Loans advanced	7.01	6.39	10.44	19.00
Loans recovered	1.25	3.36	6.41	6.82
Loans outstanding	21.58	36.63	45.73	79.15
Overdues	0.23	0.85	0.96	1.81
Profit	0.21	0.10	0.40	0.90

*Totgars' Rural Co-operative Credit Bank*: The need for the establishment of a society to assist the garden owners was strongly felt mainly due to unprecedented fall in the prices of areca and other garden crops of Sirsi-Siddapur area, during 1912-13 with eight members and a share capital of Rs 80. It was registered in 1913 as "Sirsi Totgar's Agricultural Co-operative Purchase, Distributive and Credit Society" having the jurisdiction over Sirsi, Siddapur and Yellapur taluks. Since 1966 the area of operation has been confined to Sirsi, Yellapur and Mundgod taluks. In August 1962, when it was reconstituted as Rural Co-operative Credit Bank particularly to cater to the credit requirements of big gardeners. The institution being agriculture oriented chiefly aims in increasing the production of areca, pepper, cardamom, etc., by means of meeting the credit and other requirements of the growers. By 1953, the membership stood at 620 and share capital at Rs 20,000. In 1962, when the credit society was reconstituted as a bank, it had a share capital of Rs 1.28 lakhs drawn by 905 members while deposits mobilised was Rs 1.71 lakhs as against advance of Rs 3.08 lakhs. By the end of June 1983, the membership of the bank was 2,736 and of them 1,312 were regular members and the rest (1,424) nominal members and the share capital stood at Rs 8.64 lakhs. The present functions of the bank include granting of short and medium term agricultural loans, personal surety loans, loans on the pledge of agricultural produces. The society has facilitated an effective and proper linking up of credit with marketing activities with the help of its sister concern, the Totgars Co-operative Sale Society. The Totgar's Welfare Fund has been created by the bank for the benefit of the members. The profit earned by the bank during 1983 was Rs 1.46 lakhs as against Rs 69,000 and 60,000 in 1980 and 1978 respectively.

### **Marketing Societies**

In 1922, two special marketing societies, specially to facilitate the growers of garden crops viz., areca, pepper and cardamom were established one at Sirsi and another at Kumta. These co-operatives also supply agricultural inputs and are also encouraged to set up processing units of their own. On behalf of the K F C S Corporation, Bangalore, these societies procure paddy and jowar in the district as sub-agents in addition to distribution of food grains and other consumer articles. In addition to these two (Sirsi and Kumta) special marketing societies for areca, there are nine general marketing societies, one each for a taluk, which deal with garden crops. Among the general marketing societies, Siddapur being the first (1947),

followed by Haliyal and Supa (at Jagalbet) in 1956 and 1957 respectively. Mundgod and Honavar taluks got this facility by 1958 and 1959 respectively. During 1965-66 the remaining taluks of the district got these facilities. It is reported that the T A P C M S of Bhatkal is under liquidation and that of Karwar is defunct as on June 1983. The total sales turn over of these (nine) societies in the district during 1982-83 was accounted at Rs 542.17 lakhs, comprising of agricultural produce (Rs 247.31 lakhs), food grains (Rs 136.27 lakhs) consumer articles (Rs 121.46 lakhs) and fertilisers (Rs 37.13 lakhs) as against Rs 583.24 lakhs worth sales in 1981-82. The quantity of paddy procured was 2,043 and 6,802 tonnes during 1982-83 and 1981-82 respectively. The produce loan granted by these societies was Rs 36.50 lakhs and 89.50 lakhs during 82-83 and 81-82 respectively.

The table given hereunder indicates the collective position of these societies for some years from 1972-73 to 1982-83.

(Amount in lakhs)

Particulars	Years		
	1972-73	1977-78	1982-83
Number of Societies	11	11	11
Number of Members			
a) Individuals	16,933	23,154	29,847
b) Societies	289	283	464
Share capital			
a) Individual	14.69	25.59	61.77
b) Government	22.54	23.56	—
Reserve and other funds	42.13	74.47	284.39
Deposits	32.05	76.22	164.51
Borrowings	127.02	32.62	78.60
Working capital	198.10	234.65	528.27
Loans advanced	62.65	67.10	195.83
Loans recovered	70.03	108.11	221.50
Loans outstanding	64.78	57.33	293.56
Overdues	20.71	9.10	10.37
Value of Sales	315.52	877.77	127.32
Commission earned	3.94	9.93	34.03
Profit earned	2.84	13.58	55.43

*Totgars Co-operative Sale Society, Sirsi*: The Totgars' Co-operative Sale Society (1929) is an offshoot of the "Sirsi Totgars' Co-operative Purchase-Distributive and Credit Society" Ltd., (1923) The chief aims and objectives of the society then were to finance the members, to supply agricultural requisites and to arrange for proper marketing of garden crops with a view to ameliorate the economic conditions of *totgars* of Sirsi, Siddapur and Yellapur taluks to which the area of operation of the society is confined. At present, the total membership of this co-operative body consists of four categories: 1) 'A' Class—agricultural co-operative institutions, 2) 'B' Class—individual cultivators, 3) 'C' Class—traders, commission agents, merchants, etc., 4) 'D' Class—State Government. Since the Society had inherited its old set-up, membership increased gradually inspite of keen competition by the local money lenders, merchants, commission agents (*dallals*) etc., during the earlier years. By 1953-54, there was a considerable increase in the membership and share capital, viz., 1,453 members and Rs 1.39 lakhs respectively. The total membership of the Society by the end of June 1983 was 8,171 comprising 4,121 'C' Class, 3,985 'B' Class and 65 'A' Class with a paid up share capital of Rs 23.71 lakhs comprising Rs 20.45 lakhs by individuals and Rs 3.26 lakhs of Societies as against the authorised capital of Rs 30 lakhs.

At present, the activities of the Society as an agent, include the sale of garden produce including the sale by pooling system, advancing production and produce loans to the members, running processing units like rice mill, etc., purchase of arecanut on behalf of Campco Ltd., Mangalore. The Society also runs a medical stores (1962-63), petrol pump (1964-65) (which was later transferred to Agricultural Service Development Co-operative Society Ltd., Sirsi,) *kirana* section and fertilisers sections (1932-33) for the benefit of its members in addition to effective linking of credit with marketing. Society opened its first branch at Siddapur in 1947 and the second branch at Yellapur in 1955. The chief marketing centres for the areca of Sirsi area are Hubli, Dharwad, Belgaum, Bijapur, Gulbarga, Haveri, Ranebennur and Raichur within the State and Bombay, Nagpur, Kanpur, Ahmedabad, Lucknow, Ankola, Jabalpur, Calcutta, Delhi, Patna, Sholapur, Bikaner, Raigar and Raipur outside the State. The method of sales adopted by the Society is that of tender system. Whenever there are no attractive rates in the local market the society arranges for pooling of member's produce after grading. It is reported that the T S S handles about 64% of the produce arriving to Sirsi

market. In 1982-83, the garden produce handled by the Society as an agent was 90,379 quintals comprising of 88,299 quintals of areca, 1,786 quintals of pepper and 294 quintals of cardamom all together valued at Rs 10.07 crores. The commission earned by the Society for this dealing was Rs 19.80 lakhs. Since 1973, the Society has been purchasing and selling for and on behalf of Central Arecanut Marketing and Processing Co-operative Ltd. (CAMPCO), Mangalore. The procurement of areca made by the Society on behalf of CAMPCO was 53,128 quintals valued at Rs 601.95 lakhs during 1982-83. The role played by the Society in establishing effective linking of credit with marketing is very significant. The total number of societies so linked as in 1982-83 to T S S was 55. The value of the produce assembled through the primaries for sale, amount credited to the District Co-operative Central Bank towards loan of primaries and rebate as an incentive given by the T S S to the primaries during 1982-83 was Rs 327.42, Rs 128.96 and Rs one lakhs respectively.

For the benefit of its members and affiliated societies, supply of all kinds of chemicals, fertilisers, insecticides, agricultural implements, improved seeds, etc., are undertaken. The business turnover of the Society under this Section was accounted to Rs 26.94, 29.50 and 27.76 lakhs during 1982-83, 1981-82 and 1980-81 respectively. The Medical Store opened by the Society in 1962-63 also sells veterinary medicines. The total volume of deposits mobilised by the T S S during 1982-83 was Rs 113.87 lakhs. The total investments by the end of June 1983 stood at Rs 39.68 lakhs which included Rs 15.56 lakhs in building and plant and Rs 15 lakhs in the shares of CAMPCO, Mangalore. The production finance including finance for domestic needs granted by the society to its members during 1982-83 was Rs 143.30 lakhs.

*T A P C M S, Siddapur*: The Siddapur Taluk Agricultural Produce Co-operative Marketing Society was founded in 1947 as a multi-purpose co-operative Society with limited area of operation and objectives like financing agriculture and arranging for better marketing of money crops. The activities of the society gained momentum since 1960 when the society was reconstituted as the Taluka Co-operative Marketing Society with an enlarged area of operation covering the entire taluk. By June 1983, the society had a membership strength of 2,104, comprising 2,081 agriculturists, 23 co-operatives with a total share capital of Rs 7.92 lakhs which included Government's share capital to the extent of Rs 4.80 lakhs.



The present functional activities of the society include linking of credit with marketing ; the sale of growers' produce in the capacity of an agent as well as sale by pooling ; supply of necessary agricultural requisites ; sale of controlled and non-controlled articles ; procurement of levy paddy, etc. The total quantity of garden produce sold by the society as an agent during 1982-83 was more than 13,142 quintals (accounting about 57% of total production in the taluk) comprising 12,906 quintals of areca, 174 quintals of pepper, 62.88 quintals of cardamom together, having a sales value of Rs 141.81 lakhs and the commission earned by the society in this deal was of Rs 2.65 lakhs, as against 10,432 quintals with a sales value of Rs 128.45 lakhs and a commission of Rs 2.38 lakhs during 1981-82. The total volume of pledge loan granted by the society on the security of produce during the last three years i e., from 1980-81 to 1982-83 was accounted to Rs 9.55, 9.30 and 7.24 lakhs respectively. The volume of total deposits of different categories held by the society was accounted to Rs 15.56 lakhs by the end of June, 1983 as against Rs 14.40 lakhs 12.98 lakhs and 12.19 lakhs in the previous three years respectively. The total value of agricultural requisites purchased by the society during 1982-83, 1981-82 and 1980-81 were accounted to Rs 12.63 lakhs, 15.50 lakhs and 16.09 lakhs while the value of sales effected in the above years was accounted to Rs 12.70 lakhs, 17.18 lakhs and 16.30 lakhs and the profit earned in this dealing was of Rs 18,000, 26,000 and 39,000 respectively. The quantum of paddy procured by the society on behalf of the K S F & C S C was 4,038, 2,283 and 2,698 quintals during 1980-81, 1981-82 and 1982-83 respectively in addition to 204 quintals of rice in 1981-82. During 1982-83, the society was able to link credit with marketing involving 20 agricultural credit societies to the extent of Rs 18 lakhs.

An independent branch of the society is functioning at Kansur since 1969 where there is a rice mill for processing of paddy installed in 1975. The total financial assistance availed by the society since its inception, from the State Government, for different purposes like share capital, loans and subsidy for rural godowns and distribution of essential commodities, etc., was accounted to Rs 7.45 lakhs by the end of June, 1983. The total investments made by the society by the end of June, 1983 stood at Rs 10 21 lakhs. The net profit earned by the society was accounted to Rs 3.22, 2.67 and 1.12 lakhs during 1982-83, 1981-82 and 1980-81 respectively. The total staff employed by the society was 18 in 1983.

### **North Kanara District Industrial Co-operative Bank**

In order to cater to the credit needs of industries organised in the co-operative sector as well as other industries including the artisans, the North Kanara District Industrial Co-operative Bank Ltd., Karwar was established in 1963 with a share capital of Rs 58,000 and a membership of 173 which included 113 individuals and 60 co-operative institutions. By 1970, the bank opened its first branch at Sirsi (covering Sirsi, Siddapur and Mundgod taluks), and by 1972, its 2nd branch was opened at Ankola to cater to the needs of Ankola taluk and in 1974, two more new branches were opened one at Dandeli and another at Honavar. By 1973, the membership of the bank was increased to 1,021 consisting 921 individuals and the rest (100) societies, and had share capital of Rs 7.19 lakhs. On first July, 1974, the bank was reconstituted and the earlier organisational structure changed since it merged with Karnataka Industrial Co-operative Bank Ltd., Bangalore (sponsored by the Government of Karnataka) and as a result of it, all these branches including the former head office at Karwar were made to function as branches of the Karnataka Industrial Co-operative Bank Ltd., Bangalore. As a result branches are able to finance to each individual industrialist to the extent of Rs 2 lakhs and upto Rs 5 lakhs in the case of partnership firms.

By the end of June, 1983, the bank had membership strength of 3,582 individuals with a share capital of Rs 8.39 lakhs. At present (1983), advances of the bank are confined only to individual industrialist with a special emphasis to small scale industries for the purpose of working capital. As many as 22 categories of cottage and small industries are eligible for financial assistance of the bank under Section 17(2) (bb) of the R B I Act. The deposits of the branches in the district stood at Rs 91.93 lakhs by the end of June, 1983. The deployment of funds made by the bank as in June 1983 was Rs 130.09 lakhs as short term loan; Rs 13.56 lakhs as medium term, while Rs 4.72 lakhs stood as long term loan, the loans under short term also included loans under D I R Scheme as against Rs 150.55 lakhs total advances in June 1982. It is observed that during 1982-83, the bank advances covered as many as 19 different categories of industries and of them industries like handicrafts received Rs 19.57 lakhs. The bank continued to earn profit since 1965-66 till its merger in 1974.

### **Industrial Co-operatives**

The main objectives of industrial co-operatives other than those of weavers is to provide short and medium term finance to various

craftsmen. These societies also undertake supply of the required raw materials in addition to marketing of the products. In this district, there are 17 different categories of industrial co-operatives coming under this group viz., plying and tanning, leather goods, pottery, hand pounding, oil crushing, palmgur, handicrafts, general engineering, bee-keeping, coir, etc. Most of the industrial co-operatives of the district which used to receive financial assistance from the Khadi and Village Industries Board have stopped functioning since the subsidy of the scheme of the Board came to an end. In this group, only viable and potentially viable societies are functioning. Among the industrial co-operatives registered in the district, the largest number are hand pounding societies, followed by rural industrial societies, carpentry, blacksmithy, bee-keeping, plying and tanning, etc.

By the end of June 1973, there were 116 industrial co-operatives in the district excluding six handloom weavers societies. By the end of June 1983, there were 116 industrial co-operatives in the district excluding six weavers societies as against 154 societies with a membership of 5,526 a year before. Among the Weavers Societies, the first one to be registered in the district was at Nandangadda in June 1947 followed by two more similar societies, one at Hosad (Honavar taluk) and another at Honavar. It is reported that at present out of the six weavers societies, four have remained defunct. By the end of June 1982, the total membership of working societies (two) was 106 with the total working capital of Rs 1.44 lakhs.

#### **Tile Manufacturing Societies**

There are as many as 14 tile manufacturing units in the district, and of them four are in the co-operative sector and of them only three societies are functioning. The North Kanara District Co-operative Tile Manufacturing Society Ltd. Kasarkod registered in 1957 is the first factory to be developed on co-operative lines. In 1963, two more similar factories were registered, one at Agsoor (Ankola tq) known as Gangavali Co-operative Tile Factory Ltd., and another at Beleguli known as the Ankola Co-operative Tile Works Ltd. (24-9-63). The last one to be registered was Karwar Co-operative Tile Works Ltd., (1974) (under liquidation). By employing local resources these factories are progressing well since there is a good market for all the products of these factories. The table given on p. 459 indicates the periodical progress of these co-operatives for some years during the last five years.

(Amount in lakhs)

Particulars	1977-78	1980-81	1982-83
Number of Societies	4	4	4
Membership	2,479	888	888
Share capital :			
i) Individuals	4.19	—	6.93
ii) Government	1.38	6.40	1.48
Reserve and other funds :	10.75	17.33	30.38
Deposits	9.25	29.24	51.36
Borrowings :			
i) C.F.A.	13.11	10.21	49.81
ii) Government	1.20	—	0.36
Working capital	45.71	63.18	138.48
Value of products	85.10	86.14	N.A.
Value of sales	56.70	58.42	116.34
Profit	2.39	9.75	3.11

For the purpose of illustration the working of Kasarkod tile factory has been dealt in the following paragraphs.

*Kasarkod Society* : The North Kanara District Co-operative Tile Manufacturing Society was jointly sponsored by the Khadi and Village Industries Board and the Small Industries Service Institute, Hubli in 1956 at Kasarkod near Honavar, with the main objectives of manufacturing tiles. Production was started in September 1959 with an initial capital investment and working capital being Rs 2.5 lakhs and Rs 60,000 respectively and employing 60 persons. The membership of the society was 274 with a share capital of Rs 60,580 in 1959-60. By the end of June 1983, the organisation had membership strength of 2,622 with a share capital of Rs 3.74 lakhs. At present, the production of the society covers three different units, viz., 1) Tile unit at Kasarkod with average daily production capacity of 30,000 tiles, 2) Tile unit at Mirjan (being a branch) commissioned in December 1975 with an average daily production capacity of 12,000 tiles, 3) Bricks-cum-Soorki Unit at Kasarkod. The main products that are being manufactured by the society include: 1) Roofing tiles and roofing ridges. 2) Wirecut bricks. 3) Terracotta articles and 5) Soorki powder (bye-product of broken tiles used for construction

of building as substitute for cement, These products enjoy good markets within the State, and other states like Maharashtra, Goa and Gujarat. All the three factories managed by the society are labour oriented, employing nearly 500 permanent workers and about 200 seasonal workers for about three months in a year.

In 1980-82 to overcome the growing shortage of fire-wood required for the industry, the Society undertook the project of installation of continuous kiln method for the purpose of burning of tiles and the bricks, etc., with a total capital investment of Rs 53.49 lakhs with financial assistance of Rs 23 lakhs from the KSFC and other agencies. It is reported that the present capital investment of the society on fixed asset is Rs 75 lakhs net, and that of working capital investment of Rs 15 lakhs.

The total number of tiles, ridges and bricks manufactured at the Kasarkod unit during 1982-83 was 62.69 lakhs, 1.90 lakhs and 3.39 lakhs respectively while the Mirjan unit had manufactured 30.97 lakhs tiles, 58,000 ridges and 22,000 bricks in the above years. By 1982-83 the total sales effected by the society was reckoned at Rs 89.96 lakhs as against Rs 36.92 lakhs in 1975-76. The profit earned by the society for 1982-83 and a year before was Rs 2.12 and 5.96 lakhs respectively as against Rs 34,000 in 1970-71. The deposits held by the society for 1982-83 was of Rs 51.35 lakhs.

### **K A M C O**

The Kamadhenu Co-operative Dairy and Fruit Processing Ltd., Golikatta, near Sirsi was the first such society to be registered under this category in the district in 1963 with the main objective of marketing and processing of fruit products grown by its members and development of dairy industry. Accordingly, in 1969, the Government has allotted 908 acres of forest land to the society on lease basis for cultivation of pineapple. The plant was installed in 1970 and processing work was started. The society manufactured pineapple juice, slices, cold drinks and jam and used to market its products in Bombay, Delhi, Ahmedabad and Bangalore. The total membership of the society in 1969 was 558 with a share capital of Rs 6.10 lakhs including the Government share of Rs 5.00 lakhs. By the end of June 1983, the organisation had a membership of 765 with a share capital of Rs 10.08 lakhs comprising Rs 5.50 lakhs of Government share and the rest (Rs 4.58 lakhs) being the share of individual members. Since 1978-79, the processing functioning of the society has been suspended due to

obvious reasons, including the accumulated heavy loss suffered by the society. The total loss suffered by the society during the last five years from 1978-79 to 1982-83 was reckoned at Rs 7.83 lakhs. At present, it is marketing fresh fruits supplied by its members on commission. The quantity of fruits marketed by the Society during 1982-83 was of 406 tonnes valued at Rs 5.46 lakhs as against 530 tonnes valued Rs 4.93 lakhs and 781 tonnes valued at Rs 5.06 lakhs during 1981-82.

### **Consumer Co-operatives**

The main objectives of consumer co-operatives are to ensure the regular supply of day-to-day requirements of its members at reasonable prices. By the end of June 1973, there were, 32 such primary societies in the district with a membership of 6,642 which rose to 62 societies with a membership of 18,291 by 1977-78. By the end of June 1984, the number of such societies further rose to 65 and membership to 32,105 and it is reported that by the end of June 1984, 10 such societies were defunct and of the remaining, 42 societies have earned profit. Among the primary consumer societies, the society registered at Sirsi in February 1944 happens to be the first of its kind in the district, followed by similar society at Yellapur in 1947 and the 3rd being at Siddapur in May 1948. The consumer movement in the district is expanding year by year with the assistance of State Government, Government of India and N C D C, New Delhi under various schemes.

### **Central Wholesale Stores**

In addition to the primaries, under the Centrally-Sponsored Scheme two central co-operative wholesale centres were established in the district, one at Karwar exercising the jurisdiction over five coastal taluks and another at Sirsi in 1955 having the jurisdiction over the entire district. By the end of June 1983, the total membership of Karwar Store was 197 comprising 179 individuals, nine primary societies, eight other co-operatives, and a Government membership with a total share capital of Rs 3.56 lakhs including the Government share of Rs 3.18 lakhs in addition to Rs 40,000 interest free loan. The store has opened one Janatha Bazar (1970) dealing in grocery, textile, stationery and medicine, etc. The total value of the purchases and sales effected by the Store was accounted to Rs 32.67 and Rs 35.14 lakhs during 1982-83 as against 31.28 and 32.66 lakhs in the previous year. The profit earned by the store during 82-83,

81-82 and 80-81 was accounted to Rs 45,000, 8,000 and 13,000 respectively.

### **Central Store**

The membership of Central Store working at Sirsi comprises as many as six categories including the Government. By the end of June 1983, it had a total membership strength of 765 majority being individuals (669) and 66 primary societies with a total share capital of Rs 5.55 lakhs which included Government share of Rs 4.46 lakhs. During 1980-81 the store has opened two retail outlets within the town limits. The quantum of total purchases and sales effected by the store during 1982-83 was of Rs 16.39 and 17.51 lakhs as against Rs 16.04 and Rs 16.15 lakhs during 1980-81, while the profit earned by the Store during the next three years from 1980-81 was accounted to Rs 15.640, 6,465 and 2,103 respectively. On an average, monthly sales of the store during 82-83 was Rs 1.45 lakhs as against Rs 1.82 and 1.34 lakhs during 81-82 and 80-81 respectively. This Store is also working as a sub-agent of the Food Corporation of India for procurement of levy paddy in Sirsi taluk.

### **Urban Co-operative Banks**

The district is well served by urban co-operative banks numbering nine as in June, 1983 as against seven in 1948-49. The main functions of these banks are to meet the credit requirements of urban sections, engaged in trade, commerce and other productive activities, including loans for domestic purposes. Two urban co-operative banks came into being one at Karwar and another at Kumta in 1912 followed by those at Sirsi and Ankola in 1913, and Honavar in 1919. Siddapur got the urban bank in 1929. In course of time, such banks came into being at Haliyal (1955), Gokarn (1963) and Bhatkal (1964). In many cases these present urban banks started their activities as credit societies. There was a co-operative bank called Shama Rao Vittal Bank Ltd., Bombay (1906), having branches at Karwar, Honavar and Bankikodla (1956). By the end of the June 1973, the nine banks together had mobilised deposits to the tune of Rs 2.61 crores while the loans advanced amounted to Rs 1.88 crores and they had also earned good profit. The working results of these banks showed that all the urban co-operative banks are efficiently managed and most of them are placed in 'A' Class. All the banks working in the district have been brought under the purview of the Banking Regulation Act 1949 and are covered by Deposit Insurance Scheme (1962). According to an analytical study

as revealed by the Directory of Urban Co-operative Banks in Karnataka, as in June 1981, on the basis of share capital position, out of nine banks functioning in the district, seven were placed in the group of 1 to 5 lakhs, and one bank between 5 to 10 lakhs, and the remaining one between 15 to 20 lakhs. During 1980-81, on an average, per branch deposit mobilised by the urban banks in the district stood at 83 lakhs which was the highest in the State followed by Dakshina Kannada (63.43 lakhs) and Bangalore (63.42 lakhs). By the end of 1983, the total membership of these nine banks together was 62,000 with a share capital of Rs 57.44 lakhs. Table given on p. 464 indicates periodical progress of these banks as in 1973 and 1983.

*Sirsi Urban Co-operative Bank*: The Sirsi Urban Co-operative Bank., Sirsi, is the second urban co-operative bank registered in the district in 1913 founded by the late P. N. Pandit a noted social worker. It was the first banking organisation in Sirsi town. Between 1917-1919 the bank was entrusted with the responsibility to function as a Central Co-operative Bank for the district in managing the credit requirements of primary agricultural credit societies of the district in the absence of the District Central Co-operative Bank. By 1922, the membership of the bank rose to 890, share capital to Rs 24,590, deposits to Rs 1.64 lakhs. During 1930-1940 there was a great setback in the functioning of the bank due to severe world economic depression. The generous role played by the bank during this situation as a true co-operator in restoring the properties to the debtor-members after recovery of outstanding dues enhanced the prestige of the bank. By 1982-83 the Bank had a membership strength of 5,810 with a share capital of Rs 24.19 lakhs as against 2,666 members and share capital of Rs 4.52 lakhs a decade earlier. During 1979-80, the bank granted a special loan to the extent of Rs 9.94 lakhs covering 1,185 accounts belonging to weaker section whose annual income did not exceed Rs 2,000 and got a Government grant of Rs 2,710 as risk fund. The amount so advanced under this category during the next three years i.e., 1980 to 1982 together was Rs 37.11 lakhs, comprising 3,744 accounts and availed the risk fund of Rs 18,700. This bank tops the rank in deposit mobilisation in recent years, when compared to both nationalised and non-nationalised commercial and co-operative banks of Sirsi. The Bank has opened six branches during 1980-83 and of them four are situated at Yellapur, Mundgod, Dandeli and Banavasi and the rest are at Sirsi proper. Bank has donated a good sum to promote the cause of education and



Name of the bank	1973				1983			
	Membership	Deposits	Advances	Profits	Membership	Deposits	Advances	Profits
Urban Co-operative Bank, Karwar	1,872	20.16	17.49	0.29	3,427	37.71	37.09	1.80
-do- Kumta	2,696	38.44	31.32	0.53	4,948	132.85	105.01	2.73
-do- Sirsi	2,666	84.70	57.31	1.25	5,810	320.10	268.22	10.10
-do- Ankola	873	13.70	10.49	0.25	2,006	73.78	47.61	1.52
-do- Honavar	2,172	61.09	35.85	1.05	5,426	204.07	132.01	4.08
-do- Siddapur	578	14.86	11.37	0.15	1,041	64.92	48.84	1.29
-do- Haliyal	733	9.84	1.46	0.12	1,797	40.35	52.99	2.25
-do- Gokarn	1,044	10.23	8.16	0.17	3,500	88.13	63.10	2.20
-do- Bhatkal	1,005	7.85	7.08	0.12	2,396	50.60	33.96	2.61

Source: Individual Urban Banks.

medical services both at Sirsi and outside the district out of its profits. Since 1974-75 the dividend declared by the bank is 12%. It celebrated its Platinum Jubilee in 1981.

The table given hereunder indicates the periodical progress of the bank for some years from 1912-13 to 1982-83.

(Amount in lakhs)

Co-op. year ending	Member-ship	Share capital	Reserve & other funds	Deposits	Advances	Working capital	Net profit
1912-13	19	0.23	0.10	0.08	0.02	0.11	0.02
1928-29	829	0.26	0.28	2.29	2.41	2.91	0.06
1254-55	856	0.29	1.77	6.42	6.20	10.38	0.20
1965-66	1,866	0.97	4.35	31.55	38.20	39.74	0.68
1972-73	2,666	4.52	6.50	84.70	57.31	102.11	1.25
1977-78	3,526	9.37	17.22	134.18	101.14	171.64	5.55
1981-82	5,211	18.45	37.35	266.45	244.23	354.82	9.71
1982-83	5,810	24.19	44.15	320.10	268.22	550.86	10.10

*Honavar Urban Co-operative Bank*: The Honavar Urban Co-operative Bank, first registered as credit society in 1919 was reconstituted as full fledged Urban Co-operative Bank in 1925. By 1969, the share capital stood at Rs 95,000 and during the next decade (1979), it was increased to Rs 4.88 lakhs with a membership of 3,884. By the end of June 1983, the paid up share capital was accounted to Rs 7.52 lakhs and membership to the extent of 5,426. The advances made by the bank mainly include for the purposes of trade, industry, transport operations, mechanised fishing boats, house building, education, etc. Since 1959 onwards, an appreciable accretion is recorded in the position of deposit, as well as deployment of bank funds for various productive purposes. The total deposits held by the bank during 1980 and 1981 were accounted to Rs 134.86 and 153.65 lakhs respectively, while deployment of funds in the above year was accounted to Rs 94.18 and 110.43 lakhs respectively. It was the first Urban bank in the State to secure licence from R B I in 1979. This bank is one of the eleven urban banks in our State approved by the R B I in India for the purpose of credit guarantee scheme to enable the bank to finance small scale industries.

The table given hereunder indicates the periodical progress of the bank for some years between 1929 to 1983.

(Amount in thousands)

Particulars	1929	1959	1979	1982	1983
Membership	479	629	3,884	5,402	5,426
Share capital	15	32	488	727	752
Reserve funds	3	65	605	862	1,069
Other funds	2	79	620	861	1,231
Deposits	136	1,139	11,775	17,531	20,407
Loans outstanding	105	675	7,014	13,777	13,201
Profit	6	16	311	416	401

### Fisheries Societies

The fisheries society registered in the district was Harkantra-Kharvi Fisheries Society, Karwar (1915) followed by Majali Fiheries Society at Majali (1921). In 1947, two more societies were registered at Nandangadda and Keni followed by similar societies at Belekeri and Gangavali in 1948. In course of time, many more such societies were founded. After Reorganisation the establishment of District Co-operative Marketing Federation in 1957 was a landmark in promoting, strengthening and co-ordinating primary fisheries in the district by means of establishing an effective link between credit and marketing. By the end of December, 1970, the number of fisheries societies reported was 27 including one federal marketing society with a total membership of 7,721 and share capital of Rs 6.58 lakhs including the share capital of Rs 3.61 lakhs contributed by the Government. The total loans advanced by these societies together was accounted to Rs 21.86 lakhs. The profit earned by some of the societies was reported as Rs 1.54 lakhs while the loss suffered by other societies was Rs 4,469. By the end of June 1983, the number of fisheries co-operatives increased to 29 with more than 15,600 members and the financial participation of the Government in share capital was of Rs 15.41 lakhs and the borrowings from Government was accounted to Rs 46.04 lakhs.

The table on p. 467 indicates the periodical progress of these societies during 1973-84.

(Amount in lakhs)

Particulars	Year		
	1973*	1978	1984
Number of societies	26	24	22
Membership	10,929	11,471	16,324
Share capital	12.14	5.52	13.86
Reserve & other funds	2.94	4.38	18.84
Borrowings	—	18.49	47.51
Working capital	84.21	28.39	80.30
Loans advanced	14.64	4.14	5.99
Loans recovered	4.33	5.27	6.60
Loans outstanding	65.20	20.63	33.37
Overdues	12.36	11.22	23.40
Sales of fish & fish products	38.00	43.15	110.08
Value of fish catches	N.A.	—	8.32
Profit earned	—	—	1.83
Loss sustained	—	—	1.14

\* Includes the particulars of North Kanara District Co-operative Fish Marketing Federation.

*Fishermen Co-operative Society, Tadri:* This co-operative body was incorporated in 1950 at Tadri near Gokarn with jurisdiction over eight villages coming within the close proximity of Tadri. The society started its activities, with 39 members and a share capital of Rs 1,700. In 1961-62, during the period of fish famine, the Government took up an elaborate relief programme through this society. By 1972-73, the society was able to mobilise the share capital of Rs 19,030 from 621 members, around 1979-80, the share capital position stood at Rs 5.27 lakhs comprising of Rs 4.45 lakhs Government share and Rs 82,000 by members (741). By 1982-83, the membership was further raised to 839 and that of share capital to Rs 7.05 lakhs including Government share of Rs 6.20 lakhs. During 1975 to 1977, the society was able to secure financial assistance in the form of share capital, loan, subsidy, etc., together to the extent of Rs 1.31 lakhs from the National Co-operative Development Corporation for the construction of fish curing yard. During 1979 to 1981, the society was able to secure a long term loan of Rs 15.33 lakhs supplemented by the Government subsidy of Rs 2.06 lakhs through the D C C Bank for the purchase of 17 mechanised boats and during the same period

(1979-81) the society was able to secure Rs 24 lakhs as assistance from the National Co-operative Development Corporation for construction of four Purse-seine boats. The State Government also extended assistance to the extent of Rs 10.50 lakhs in the form of subsidy and share capital. During 1983-84 the society had availed the State Government's assistance in the form of loan of Rs 1.26 lakhs for the purchase of a truck under the D R D S scheme. By the end of June 1983, the total assets of the society were reckoned at little over Rs 48 lakhs. The profit earned for 1982-83 was Rs 9,000 as against Rs 45,000 and Rs 52,000 for 1979-80 and 1977-78 respectively. The number of staff employed by the society was 32 in 1983.

### **District Co-operative Fish Marketing Federation**

Originally registered as Kanara District Co-operative Ice and Cold Storage Ltd., in 1957 and renamed as the North Kanara District Co-operative Fish Marketing Federation Limited, Karwar (1968). This is a federal body that stimulated the activities of the fisheries co-operatives in the district with a special emphasis on linking of credit with production and marketing. The Federation is affiliated to All India Fishermens' Co-operative Federation, New Delhi in 1981. The membership of the organisation comprises 'A' (Govt), 'B' (primary societies) and 'C' (individual members). The total membership of the federation was 715 in 1970 comprising 694 individuals, 20 societies and one Government, with a share capital of 3.74 lakhs of which the Government's participation was of Rs 3.50 lakhs. Launching of the Integrated Fisheries Development Scheme in the district financed under the Agricultural Refinance Corporation Project in 1968 expanded the activities of the federation in many dimensions. Under the Agricultural Refinance Corporation Project Scheme, the Federation had constructed 100 mechanised boats of 30 feet length installed with 37 hp marine diesel engines along with accessories and fishery requisites and they were allotted to trained groups of 4-5 fishermen on hire-purchase system. For extending the facilities like servicing and repairs of mechanised boats three service stations have been opened by the Federation at Honavar, Tadri and Karwar in addition to its branch offices at Honavar, Tadri, Alvekodi, etc.

At present, the Federation is providing facilities like transportation, processing and marketing of fish and fish products to its members in addition to extending credit facilities, servicing and repairs of mechanised boats, etc., with the financial assistance given by the

Agricultural Refinance Corporation and the Reserve Bank of India for development of fisheries in the district. Since 1970, the federation has taken up freezing and export of prawns by starting cold storage and freezing units at Karwar, by availing the facilities under the Indo-Norwegian Project. The fish canning plant was set up by the Federation during 1972-73 at a cost of Rs 3 lakhs for the purpose of canning of mainly sardines, mackerels and prawns for export. During 1975-76, the prawns exported by the federation was 43,220 kg valued at Rs 9.70 lakhs, under the registered trade mark "N K Brand" which has been proved as a quality production in foreign markets. The Federation has also taken up the activities like marketing of fish catches of mechanised boats including the A R C boats on commission basis. The amount of marketing commission earned by the Federation was Rs 7.29 and Rs 4.44 lakhs during 1982-83 and in the previous year respectively. The total staff employed by the Federation including temporary staff was 83 in 1983. The total income and expenditure of the Federation during 1982-83 were Rs 16.61 and Rs 13.52 lakhs as against Rs 7.02 and Rs 6.46 lakhs in 1980-81 and Rs 10.99 and Rs 10.27 lakhs respectively during 1978-79. As in June 1984, the membership was 1,791 with a share capital of Rs 13.90 lakhs which included Government share of Rs 8.20 lakhs. The total borrowings amounted to Rs 43.26 lakhs, which included Rs 9.63 lakhs from Government and the rest from the Central financing agency. The total value of sale of fish catches as owner and as agent together amounted to Rs 110.08 lakhs and the loans advanced and recovered amounted to Rs 5.99 lakhs and 6.60 lakhs respectively. Loans outstanding and loss suffered by the society was reported as Rs 64.28 lakhs and Rs 4.48 lakhs respectively.

*Nagarbail Salt Owners Society* : This Society was registered in 1952, at Sanikatta (Kumta tq). The main objectives of the society are to manufacture salt on the lands pooled by members for joint manufacture, to undertake sales etc., by acting as an agent on behalf of the members. The membership of the society is confined only to those individual land owners in the area of Nagarbail Saza spread over (about 450 acres) comprising Bidrageri, Torke, Nagarbail and Gonchalli, etc. At present the society is running two units, one at Nagarbail and another at Narnapur, developed in 1974, with an annual salt production of about 12 to 14 thousand tonnes. It is reported that the cost of production ranges between Rs 70 to 115 per tonne. The capital outlay over it since its inception till 1983 is stated as about Rs 50 lakhs. The owners or members of the salt works will receive,

about Rs 2 to 3 thousand net per acre annually. Salt is being gathered for only 70 to 80 days during the season and about 100 workers are employed during the season. As in June 1983, the society had a membership of 300 with a share capital of Rs 5.02 lakhs, the reserve funds and working capital amounted to Rs 8.49 lakhs and Rs 17.78 lakhs respectively, the total sale of salt was 14,233 tonnes and the loss suffered was Rs 7,000. However the society had earned profit of Rs 9.18 lakhs in 1973, Rs 10,000 in 1978 and Rs 3,000 in 1980.

*Honavar Bee-Keepers Society:* This Society was founded in 1941 mainly to foster bee-keeping as a subsidiary occupation, the area of operation being confined to Honavar taluk. During 1979-80 the activities of the society were enlarged and new objectives were incorporated, to enable the society to undertake the promotion of village industries coming under the purview of Karnataka Khadi and Village Industries Board and Khadi and Village Industries Commission. The Society collects the honey from the members at present spread over to 54 villages out of 95 villages in the taluk and arranges for its marketing through the centres like Bombay, Nasik, Ahmedabad, Hubli, Bangalore and other places, after proper grading and standardisation. The Society also arranges financial and other technical aid to the members engaged in bee-keeping through Khadi and Village Industries Commission, Bombay and the Karnataka State Khadi and Village Industries Board, Bangalore. From among the different varieties of honey collected by the society during the honey season (Dec to June) the special quality honey known as soapnut flower honey collected during Dec and Jan by the Society is much in demand. The Society also arranges for short term training course in addition to supplying bee-keeping boxes and other requisites at concessional rate including SCs and STs, who avail free supply. The Khadi and Village Industries Board is providing grants since 1957-58 and loan assistance from 1968-69 to the Society. It is reported that a bee-keeper with 40 to 50 bee hives can produce annually 300 to 400 kg of honey, fetching an additional annual income ranging between Rs 2,500 to Rs 3,500. During 1941-42 when registered, the Society had 125 members with a small share capital of Rs 72 and 415 bee hives, and had produced about 570 pounds of honey. By the end of June 1983, the Society had a membership of 1,717 with a share capital of Rs 11,285 and had produced 13,000 kg of honey from 2,863 bee hives as against 1,638 members and share capital of Rs 10,265 with 3,170 bee hives which had produced 9,000 kg of honey in 1980-81. Recently, the Society has undertaken marketing of khadi

as well as manufacture of laundry soap under Khadi and Village Industries Scheme with a loan of Rs 50,000 in 1982-83.

### **Labour Societies**

The main objective of this category of societies is to bring socio-economic betterment of the poor and unorganised labourers, specially coming from weaker and backward sections of the society, including the tribal population by providing them gainful employment. The main functional activities of the society include undertaking forest logging work from the forest department, labour contract work from the P W D and other private agencies. The workers who are also the members of the society are paid better wages, dividend and bonus on total wages in addition to other facilities like housing, medicine, education, etc. There are two main categories, viz., labour contract and construction societies and Forest Labour Societies in addition to labour co-operative unions. Among the labour contract societies, the Society incorporated at Hanehalli of Kumta taluk in 1948 is the first, followed by two similar organisations one at Kadra and another at Gersoppa (defunct). Regarding forest labour societies Yennemaddi Harijan Labour Society (Kumta taluk) founded in May 1949 seems to be the first followed by Hichkad Group Labour Society of Ankola Taluk in November 1949. North Kanara District Labour Co-operative Union was incorporated in March 1966 at Ankola in order to co-ordinate, guide and monitor the cause of these societies. At present the labour union is under liquidation. It is stated that one of the reasons for the setback in the working of these co-operatives at present is mainly due to the withdrawal of earlier concessions and preferences in allotment of contract work and keen competition by private contractors. It is reported that 16 societies of this category were declared as defunct by the end of June 1983. As in June 1983, there were 60 Labour Societies and of them 21 were forest labour societies, the membership of all these societies being 5,950 with a share capital of Rs 4.57 lakhs which included the Government share of Rs 1.12 lakhs; the total borrowings and working capital were Rs 17.57 lakhs and Rs 24.50 lakhs respectively; the value of work executed and wages paid to the members were Rs 55.73 lakhs and Rs 14.66 lakhs respectively, the deposits mobilised amounted to Rs 1.89 lakhs and profit earned by some of these societies totalled to Rs 82,000.

*Hichkad Labour Society:* The Hichkad Group Hindulida Vargada Koolikar Sahakari Sangha Ltd., Ankola was registered as early as in



1949, sponsored by the then Sarvodaya Sanchalak of Hichkad, under the Sarvodaya Scheme, introduced in the Bombay State in 1949-50. The main objective of the Society are to provide work in tenders from the Government, private and other agencies. In the year of its inception (1949), it had a membership of 21 with a share capital of Rs 105; by 1959, membership was increased to 301 and share capital to Rs 5,060. By 1975, the share capital stood at Rs 12,430 contributed by 456 members. By the end of June, 1983, it had a membership of 687 mostly Agers and the SCs with a share capital of Rs 18,060. At present the Society undertakes forest logging works from the Forest Department; any labour work from the P W D and private agencies. The society also runs a fruit canning unit of its own. The worker members are paid better wages and provided medical aid and other facilities like housing and educational assistance to their children. The amount spent by the society for the welfare of the members belong to weaker section, out of its profit, during 1982-83 was Rs 7,940 as against Rs 10,045 and Rs 8,560 during 1980-81 and 1978-79 respectively. During 1960-61, 100 houses were got constructed by the society to its members. It is reported that on an average, the annual business turnover of the society is Rs 12 lakhs. The volume of contract work executed by the society was of Rs 7.39 lakhs during 1982-83. The total wages including bonus (20% on total wages) paid by the society to its members during 1982-83 was accounted to Rs 43,209. The income and expenditure of the society during 1982-83 was accounted to Rs 3.85 lakhs and Rs 2.64 lakhs. In 1970, the society purchased the entire assets of the Oriental Canneries and Industries Private Limited, a fruit canning concern at a cost of Rs 95,000. After the renovation and installation of modern and latest machineries at a cost of Rs 75,000 and working capital of Rs 2.5 lakhs, the unit is now managed by the Society. The total quantity of fruit products processed by the unit during 1982-83 was 24,680 kg valued at Rs 2.68 lakhs. It is reported that the Society secured the International Trade Fare Academy award at Delhi for 1973-74. The Society proposes to take up other activities like stone crushing and plantation to improve its resources. It owns its office building worth about 3 lakhs purchased in 1959 and about 76 acres of plantation purchased in 1976. The number of staff employed by the Society was 22 in 1983. The profit earned by the Society during 1982-83 was Rs 1.21 lakhs.

### **Farming Societies**

The farming co-operatives of this district can be broadly categorised into four groups viz., (1) joint farming; (2) collective farming:

(3) Tenant farming ; and (4) better farming. The district has more joint farming societies than the collective and majority of the joint farming societies (10) are located in Kumta taluk being the pilot project area in the district. Among the collective farming, the largest number (4) are situated in Mundgod taluk followed by Haliyal taluk (3). The first farming society, started in the district was at Madguni Gazni Joint Farming Society of Kumta taluk in March 1943 followed by similar society at Belakali of Honavar taluk in April 1946 (which later became defunct). In respect of collective farming societies, Venktapur Farming Society at Bhatkal incorporated in 1961 (which later became defunct) was the first in this category, followed by Sri Mahaganapati Society (1964) at Uppinapattan of Kumta taluk. By 1972-73, there were joint and collective farming together, 26 societies in the district with a total membership of 1,274. By the end of June 1984 the number of such societies was reduced to 24 and of them 13 were joint farming and the rest (11) collective farming, together had a membership of 1,723 comprising of 1,325 members of collective farming and the rest (398) from joint farming. Some of these societies situated in Kumta Pilot Project area were given financial assistance in the form of share capital and loans for land development works and for construction for godown-cum-cattle sheds by the Government. It is reported that out of 24 societies in the district as in June 1983, nine were dormant and of the working societies, only one had earned a marginal profit of Rs 1,000.

In addition to the joint and collective farming societies, there are four Tenant Farming Societies, the first to be registered was at Bidralli of Sirsi Taluk in 1949. Regarding Better Farming Societies, four in number, the first one to be registered was at Arga Belshitta of Karwar Taluk in 1940. It is reported that majority of the better and tenant farming societies have become dormant. The total command area of these farming societies was 945 hectares as in 1982-83 and the value of the production accounted to Rs 1.33 lakhs as against 1.74 lakhs during 1972-73.

### **Housing Co-operatives**

In 1948 two housing societies, one for the general members at Sirsi and another for the Scheduled Castes and Scheduled Tribes at Bhatkal were incorporated. Prior to the Reorganisation of the State, there were five house building societies functioning in the district and of them three (Bhatkal, Sirsi, Karwar) were meant for SCs and STs and the remaining two were general societies one at

Sirsi and another at Kumta. The Karnataka State Co-operative Housing Federation Ltd., Bangalore (1950), being the apex financing agency assists the affiliated primary societies. The Karnataka State SCs and STs Co-operative Housing Corporation Ltd., Bangalore (1966), renders financial assistance for SCs and STs and other weaker sections. By 1972-73, in the district there were 29 housing societies, and of them 17 were general, 10 for SCs and STs and two for other backward communities together with a total membership of 2,067 and share capital of Rs 96,000. By 1977-78, the number of housing societies increased to 33 and of them 21 were general societies and had a total membership of 2,580 with a share capital of Rs 1.5 lakhs. As in June 1984, there were 37 housing societies with a membership of 2,132 and share capital of Rs 2.02 lakhs and of them, 13 were meant for SCs and STs and all these societies except the society working at Bhatkal were sanctioned Government loan and loans from Karnataka State SCs and STs Housing Corporation for construction of dwelling houses. The total number of houses constructed by the members of these societies was 137 during 1983-84 as against 240 and 369 in 1977-78 and in 1972-73 respectively. The profit earned by some of these societies for 1983-84 was Rs 75,000.

### **Milk Societies**

For the first time, dairy activities in the district under co-operative fold began in Jan. 1952 when the Kumta Taluk Milk Supply Co-operative Society Ltd., Kumta was incorporated, followed by similar society at Dandeli in 1959. By 1972 June, there were 11 milk societies registered in the district with 1,484 members and share capital of Rs 66,000. By the end of June 1976, the number was increased to 13 including two Milk Supply Unions founded at Ankola (in 1974) and at Sirsi (in 1975), and all these together had a total membership of 1,847 including 53 member societies, together with a share capital of Rs 1.40 lakhs.

By June 1984, the number increased to 19 including two unions with 3,364 members and share capital of Rs 4.11 lakhs which included the Government share of Rs 67,000. These societies could not thrive well in the coastal taluks mainly due to sultry climatic condition unsuitable for the health of milch animals and also due to the absence of pasturing plant, etc. To overcome this difficulty, S F D A has proposed to set up one plant at Hattikeri through Milk Co-operative Union, Karwar. But, in view of the congenial agro-climatic condition, good network of veterinary institution and good market for milk

produce, there is good scope for dairy development in the taluks of Mundgod, Haliyal, Yellapur and Sirsi. It is reported that six milk societies were defunct as in 1983. The total loan advanced by Milk societies in the district for 1983-84 was 9.67 lakhs and the sale of milk and milk products effected was Rs 51.12 lakhs. If the total borrowings were to be Rs 1.55 lakhs, the profit earned by some of these societies totalled Rs 84,000. Regarding two milk unions, the Union of Sirsi registered in 1975 has now become defunct. The Milk Producers Co-operative Union working at Ankola (Shedgeri) had a membership of 26 co-operative bodies with share capital of Rs 10,000 as in June 1983, and the Union had received financial assistance of Rs 11,100 from the State Government for various purposes. At present the Karnataka Milk Federation (formerly KDDC) aided by the World Bank assists the selected dairy co-operatives of the district by means of share capital, equipment grant and managerial subsidy, etc.

#### **Other Co-operatives**

*Women's co-operatives*: The main objectives of these societies was to promote employment among women folk by starting ancillary units in the urban areas and also to undertake public distribution of essential commodities. The first women's co-operative society registered in the district was at Kumta, known as "Sahakari Mahila Mandal" in May 1945 followed by "Karwar Mahila Audyogika Sangh" by the end of 1948. At present, most of these co-operatives have remained only in record and those working are engaged in selling consumer and other controlled articles. By the end of June 1983, 18 women's co-operatives of the district together had 1,521 members with share capital accounting to Rs 1.6 lakhs. The profit earned by some of these societies was accounted to Rs 23,000 (1982). It is reported that at present only five are working.

*Grain Banks*: Grain banks are the institutions lending both in cash and kind to their members for agricultural as well as consumption purpose. In this district, they are dealing in paddy. For the first time, grain society for the district was opened at Kerwad of Haliyal taluk in 1925 followed by second society at Angadi of Karwar taluk in 1930. During the control period these societies functioned well. In course of time, these organisations lost their significance and now they are being revived. At present, except a few, majority of them are defunct. By the end of June 1984, ten grain societies of the district together had 1,198 members with a share capital of

Rs 4.63 lakhs and had loans outstanding to the extent of Rs 2.30 lakhs. The profit earned by some of these societies totalled Rs 12,000.

In addition to the above broad group, the co-operatives coming under this category also include six processing societies with 1,429 members and share capital of Rs 13.77 lakhs; four lift irrigation societies with 142 members and share capital of Rs 12,000; three each transport and tailoring societies with 336 and 169 members respectively and share capital of Rs 99,000 (in respect of transport societies); two live stock societies with 124 members and share capital of Rs 5,000 and one electrical society (Bhatkal) with 153 members and share capital of Rs 10,000 by the end of June 1984. The list also includes nine taluk co-operative development boards (now defunct), nine bee-keepers societies, six taluk supervising unions (now defunct), four Land Development Societies (defunct) three printing co-operatives, and one literary society.

#### **District Co-operative Union**

The former North Kanara District Co-operative Board of Supervising Union founded in April 1937, by late Shri R. V. Pandit one of the veteran co-operator of the district was reconstituted and renamed as District Co-operative Union in 1960. In the former Bombay State, the Central Co-operative Institute established in 1961 had undertaken the responsibility of co-operative education and training through the District Board of Supervising Union. The chief objectives of this advisory body are to propagate the philosophy and principles of the co-operative movement by organising training classes, refresher and orientation classes for the benefit of the members, office bearers and employees of the co-operative organisations of the district. At present, the Union undertakes member education programme under the guidance of the Karnataka State Co-operative Union, Bangalore, and the National Co-operative Union of India. During the last five years i.e., from 1978-79 to 1982-83 under the member education programmes, the number of managing committee members trained was 3,113 by conducting 268 classes, and the number of persons that received training under the category 'Ordinary Members Class' and employees' of the co-operative institutions was 11,469 and 234 respectively. At present (1984) the membership strength of the union is 180 comprising of 11 different categories of societies, as against 174 and 60 members in 1980 and in 1957 respectively. The main sources of income of the Union are, subscription from the members, donations by the co-operatives,

and share in the co-operative education fund payable by the co-operatives out of the profit earned every year. The assets and liabilities of the union as on the end of June 1983 stood at Rs 1.50 and 1.40 lakhs respectively. The union is bringing out a monthly magazine 'Sahakari Samaj' since 1977. The income and expenditure of the union for 1982-83 was Rs 56,527 and Rs 52,602 as against Rs 37,292 and Rs 35,042 respectively for 1980-81.

## TRADE AND COMMERCE

The system of trade guilds and the like, developed during the ancient and medieval period promoted trading and commercial activities in the district in their own way. The topography of the district hampered the free flow of trade and commerce. In spite of communication difficulties cloth and iron of the inland districts were moving in the district and local products like pepper, areca, sugar, timber, salt and sandalwood were moving out of the district by means of head-load, and on bullocks and asses across the Sahyadri passes during the pre-British period. The military roads built by Haider further helped this movement. Since the beginning of the English rule communications improved much. New high-roads were built and hill passes were opened, connecting the district with other districts of Bombay Karnataka, Hyderabad area and old Mysore. The important trading commodities of the district included pepper, white sandalwood, areca, betel leaves, spices, dried fish, salt, rice, etc. According to one account, the toll revenue of the district amounted to about Rs 51,800 in 1882 as against Rs 52,500 in the previous year.

The ports of West Coast including those of Uttara Kannada had trans-oceanic commercial contacts with Egypt, Babylonia, Rome, Malaya and China. As early as 1,000 B.C., the great Phoenician traders visited places like Honavar and Bhatkal. Roman historian Pliny (77 AD) speaks of Netrani Island as Nitrias. Ptolemy (130 AD) of Alexandria mentions Banaousei (Banavasi). All these are the evidences of the Western contacts with the district. Periplus of the Erytrea Sea (247 AD) speaks of Honavar as Naoura. The exports from the district at that time comprised pepper and other spices, rice, ivory, textile, fine silk, *tamala patra*, transparent stones, diamonds, rubies and tortoise shells, while the imports included topazes, plain cloth, fine cloth, coral, white glass, brass, tin, mercury, lead, wine, cinnabar, etc. The Roman coins found in many places in the district also speak of the district's trade contact with Rome.

Places like Karwar, Chitakul (Sadashivgad), Mirjan, Honavar and Bhatkal, mentioned in many foreign travellers' accounts, ranging from the 6th to 17th century mention the pepper trade of the district. During 11th and 12th centuries, the supply of horses from Arabia and Persia, through the ports of the district became the most pressing want of South Indian monarchs. The Navayats at Bhatkal and also at Honavar in those days actively co-operated with the Arabs in trade. When this coastal district went into the hands of Vijayanagar, the commercial importance of these ports was further enhanced. Bhatkal was a notable overseas trading centre, having a direct road to Vijayanagar city. Iron ores, pepper, myrobalan and other spices were taken by the Moors (Arabs) from Bhatkal and they brought pearls and horses to the port. With the advent of the Portuguese and other Europeans, the trade received a further fillip. In 1637, the Portuguese agreed to exchange copper and lead for pepper at the Bhatkal port from the Keladi king. Paes speaks of having seen five to six thousand oxen carrying merchandise from Vijayanagar to Bhatkal (1512). According to the treaty concluded between the Portuguese and the Vijayanagar in 1547, the Portuguese opened their factories at Ankola and Honavar and the commodities like copper, tin, coral, vermilion, mercury, horses, silk and other articles were imported to the ports of the district from Europe, Ormuz and China. They took back pepper and rice. In the 17th century, due to the extension of Bijapur power, Karwar rose to be an important place of trade and became the chief port in Bijapur dominions and Honavar also retained its importance. It was mainly due to the fact that the pepper grown in Sonda and Gersoppa area was superior that the English merchants were induced to open factories at Kadwad (near Karwar 1638) and Bhatkal (1639). Between 1650 and 1660 a great export trade of the finest muslins developed at Karwar though the cloth was woven at Hubli and the British trade at Karwar factory was very prosperous during the 1670s. In 1676, Fryer observed that Sonda or Karwar pepper was best in the world. From Honavar, white sandalwood was most important item of export which had a good market in China. There was also a large private trade with Bombay and North India in betelnut and other articles. During the 19th century, under the British rule, the opening of the two main roads joining the two ports of Kumta and Karwar with Belgaum and Hubli, respectively, development of infrastructural facilities in the hinterland region and introduction of large steam ships, the introduction of telegraphs at Kumta and Karwar, installation and linking of railway

between Pune and Bangalore and later connecting the district from a branch line between Alnavar and Dandeli during I World War, greatly contributed for the development of trade of the district. Between 1860-1870, cotton of Dharward and Belgaum districts was exported through Kumta and Karwar which attracted leading traders from Gujarat, Kutch and other areas to settle down along the coastal towns. The cotton from the Deccan was called 'Kumpti' in England as it was exported from Kumta.

At present, due to development of other infrastructural facilities in the hilly *malnad* tracts, and bridging of several rivers at vital points specially the Kali and the Sharavati in the coast, the bulk of the traffic which was confined to sea routes in the earlier decades is now carried by roads and the traffic at the ports is dwindling.

*Employment in Trade and Commerce:* According to 1971 census, the total number of persons engaged in trade and commerce in the district was 16,497 comprising 14,406 men and 2,901 women (as against 12,088 persons engaged in 1961). The rural and urban break-up was 7,988 and 8,509 respectively. Regarding the taluk-wise distribution of persons engaged in trade and commerce, Bhatkal had the largest number (2,608) followed by Sirsi (2,549), Kumta (2,173) and Karwar (2,165). The least number of people engaged in trade and commerce was in Supa (304). From among the Municipal areas, Sirsi town had the largest number of people engaged in trade and commerce (2,050), followed by Haliyal and Dandeli together (1,476), Bhatkal (1,431) and Karwar (1,244).

*Trade centres:* At present (1983-84), the wholesale trade centres of the district include Karwar, Ankola, Kumta, Honavar, Bhatkal, Tadri, Sanikatta, Sirsi, Siddapur, Haliyal and Yellapur. The retail trade centres of the district include Sadashivgad, Chendiye, Binaga, Gangavali, Gokarn, Manki, Murdeshwar and Shirali in the coastal tracts; and the places like Banavasi, Sonda, Bilgi, Bisalkoppa, Dasankoppa, Yedehalli, Tarehalli, Herur, Ulvi, Supa, Dandeli, Malgi, Pala, Kirwatti, Manchikeri, Umachgi, etc., in the up-ghat taluks.

### **Imports and Exports**

Considerable volume of import and export including entrepot business is done in the district at various wholesale centres. At present, if areca, pepper, paddy and banana assembled from Siddapur



area is exported from Sirsi market, the imports to Sirsi market include edible oil, cereals, foodgrains, chillies, steel, coconut, hardware, cement, paints, paper, cloth, leather and leather goods, etc. Chillies are brought to Sirsi from Hangal, Haveri and Byadagi and exported to down ghats, and to Dakshina Kannada and Bombay. Cotton seeds come from Hubli, Chitradurga and Bellary, chewing tobacco from Guntkal and coconut from Arsikere and Dakshina Kannada.

To Kumta, *kirani* goods, stationery, zinc sheet and hardware, come from Hubli, Bombay and Belgaum; mill made handloom cloth and hosiery are imported from Bijapur, Belgaum, Madurai, Salem etc.; bangles and cosmetics are brought from Hubli in addition to glass, bicycle parts and photo frames; brass, stainless steel and aluminium utensils are imported from Bombay, drugs are brought from Bombay, Bangalore and Hubli while beedies and cigars come from Hubli and Bombay; and cement from Bagalkot, jaggery from Nippani and Kolhapur. The exports from Kumta mainly include, arecanut, pepper and groundnut to Maharashtra and U P through Sankeshwar; wet *supari* is also transported on a large quantity to Bombay especially for the purpose of *panbeeda* shops; timber and firewood is exported to Bombay in addition to black pepper, ivory and sandal wood carvings. Salt is taken from Sanikatta to Dharwad, Bijapur and Shimoga. Fish is taken from Tadri and Karwar on large scale to the areas of Hubli, Dharwad, Belgaum and other places. Recently, fine quality betel leaves, especially grown in the areca gardens of Hosakuli, Panchagrama area and Gersoppa of Honavar taluk, known as *raniyele* is exported to Bhopal and Pakistan.

From Honavar, in addition paddy, rice, areca, cashewnut, fish, honey, tiles, ropes, etc., are exported. Bhatkal being one of the important trading centres of the district, the local traders mainly deal with business centres like Bombay, Mangalore, Hubli-Dharwad and other places for their requirements. The business houses of local Navayats have trade contracts with centres all over the world. Considerable quantity of foreign exchange remittance is received at Bhatkal specially from Navayats from Gulf countries. (This was Rs 97 lakhs in 1982 and 138 lakhs in 1984).

The chief items sent out of Haliyal include both husked and unhusked paddy to Karwar, Ratnagiri, Dharwad and other places. The main exports of Siddapur include betelnut, pepper, cardamom

and bananas. Betelnut is taken to Dharwad, Bijapur, Pune, Sholapur, Hyderabad and Nagpur; pepper to Madras, bananas to Haveri, Hubli, Dharwad and other places. The imports comprise medicines, stationery goods, toilet requisites and electrical goods from Bangalore, Bombay, Hubli and Madras; leather goods from Bombay and Bangalore; tea from Bombay, Hyderabad and Hubli. The main exports of Yellapur market include betelnut, pepper, cardamom, paddy, rice, bananas and coconut.

### Sea Trade

The coastline of Uttara Kannada is studded with 14 minor ports working from 15th September to 1st May excepting Karwar, open for traffic from 1st September to 25th May. Based on the cargo traffic handled, Karwar is classified as intermediate port and in the past, it was being used mainly for coastal cargo of agricultural produce from up-ghat regions and trade was specially with Bombay. Since the Reorganisation of the State, it has been thrown open to international shipping also. At present, Karwar and Belekeri handle coastal as well as foreign shipment and the remaining ports are confined to coastal trade only. In the last century, sea-borne trade of the district was carried partly by steamers and partly by sailing vessels. The British India Steam Navigation Co., facilitated this cargo service throughout the year at Karwar and Kumta during the fair season. For steamers, the trip between Karwar and Bombay used to take 48 hours. In 1882, excluding Majali, 13 ports of the district for the purpose of customs grouped into three broad divisions. Karwar with three, Ankola with four and Honavar with six ports. During the eight years ending (1874-75 to 1881-82), the yearly value of Kanara sea trade averaged 15,26,826 pounds. During 1882, the value of exports and imports of six ports (Chendiye, Belekeri, Gangavali, Murdeshwar, Manki and Shirali) had a total trade of less than 10,000 pounds. Four ports (Sadashivgad, Ankola, Tadri and Bhatkal) had between 10,000 to 25,000 pounds. One port, i.e., Honavar had between 50,000 to 1,00,000 pounds and the remaining two ports i.e., Karwar and Kumta had an export and import value of above one lakh.

At present (1983-84), the important commodities that are being imported through the ports of the district include salt, hardware, cutlery and asphalt, Bentonite powder from Maharashtra and Gujarat. The exports to Maharashtra, Gujarat and Kerala include tiles, ridges, silicon sand, timber, fire wood, canned fish, forest products and lime

powder. The table given below indicates the traffic handled at the ports of Uttara Kannada for the years 1972-73 and 1982-83.

(in M T S)

Name of ports	1972-73		1982-83	
	Imports	Exports	Imports	Exports
Karwar and Sadashivgad	3,746.690	2,15,688.910	1,58,834.000	1,50,618.000
Majali	—	28.000	—	—
Binaga	4.000	40.000	—	—
Chendiye	—	20.000	—	—
Belekeri	1,803.168	1,75,554.913	—	1,78,579.000
Gangavali	—	39,540	—	—
Tadri	1,817.860	7,910.475	602.000	39.000
Kumta	—	10.000	—	—
Honavar	3,157.512	17,068.794	1,812.000	20,356.000
Bhatkal & Shirali	192.300	1,488.000	—	—

Statement showing the tonnage of imports and exports and value of cargo handled at the Karwar port for some years from 1956-57 to 1982-82.

(Amount in lakhs)

Year	Imports	Value	Exports	Value
1956-57	2,914	12.78	785	3.09
1960-61	6,242	18.96	1,26,220	224.38
1966-67	6,210	12.64	1,80,797	132.55
1972-73	3,746	11.18	2,15,688	168.00
1975-76	64,418	61.29	3,41,621	404.45
1976-77	863	4.77	3,96,959	642.85
1977-78	72,908	33.22	45,458	98.89
1978-79	97,230	823.51	1,70,848	307.05
1979-80	1,65,993	1,681.62	2,61,919	413.36
1980-81	1,42,461	2,110.29	2,01,290	359.42
1981-82	1,67,763	1,859.51	94,477	160.44
1982-83	1,58,834	1,192.56	1,50,618	278.56

The number of sailing vessels, coastal steamers and foreign steamers that entered the ports of the district in 1982-83 was 330, 53 and 28 respectively as against 426, 52 and 49 during 1980-81.

### Export Inspection Agency

In order to ensure consumer's acceptance and to popularise Indian exports abroad through the measures like quality control and inspection, the Export Inspection Council and Agencies were set up by the Government of India under the Export (Quality Control and Inspection) Act, 1963. Accordingly, five export inspection agencies, one each at Bombay, Calcutta, Cochin, Delhi and Madras came into being from February, 1966. The jurisdiction of the Cochin agency covers Karnataka. At Karwar, one of the sub-office of the agency has been opened for day-to-day inspection and testing of exportable commodities. During 1983-84, the marine products certified for export from Karwar sub-office were 856.52 tonnes of frozen shrimps as against 1,061.28 tonnes of frozen shrimps, 3,600 tonnes of hydrochloric acid and 98 tonnes of frozen cattle fish during 1982-83. During 1981-82, commodities certified for export by the sub-office included 758 tonnes of frozen shrimps, 894 kg of Lobster tails, 996 kg of frozen white cooked Lobster tails, 14.39 tonnes of frozen cattle fish and 5,810 tonnes of hydrochloric acid.

### Marketing of fish

Fish being one of the important marine products of the district has helped the growth of internal and external trade to a considerable volume. Generally, the surplus fish of the district is exported to the markets of Dharwad and Belgaum district including Goa, on a large quantity. There are good number of primary fisheries' co-operatives including Fish Marketing Federation at the district level to facilitate marketing of fish and also to promote export of quality fish outside the country including some private agencies engaged in export of quality fish. The table given below indicates some particulars about the volume of fish trading in the district for some years from 1972-73 to 1982-82.

(Amount in lakhs)

Year	Total fish catch in mts.	Value Rs.	Export to foreign countries in mts.	Export value Rs.
1972-73	16,370.00	78.75	126	13.29
1973-74	21,165.00	235.15	125	20.62
1974-75	14,408.00	167.91	163	24.02
1975-76	30,618.00	335.74	349	87.30
1978-79	30,942.40	380.90	266	87.89
1981-82	35,872.10	792.50	760	327.88
1982-83	27,996.10	958.28	1,036	511.14

Source : Deputy Director of Fisheries, Karwar.

## REGULATED MARKETS

The regulated markets not only ensure remunerative and competitive prices to the growers but also systematise marketing processes on proper lines, aiming to avoid distress sale by the producers.

Before the establishment of the regulated markets, there were several malpractices at different stages of marketing in addition to the absence of authorised agency to settle the disputes if any, between the market functionaries and growers. In the markets of the district, the system of sale adopted before the regulation was '*hatya*' (under covering) and '*hissa*' system (temporary partnership).

### **Bombay A P M C Act 1939**

Prior to the Reorganisation of the State, the regulated market functioning in the district (only Sirsi) was governed according to the provisions of the Bombay Agricultural Produce Market Act XXII of 1939, which aimed at regulating the selling and buying of agricultural produce and garden crops and provided for establishment of regulated markets to be placed under the supervision of a statutory market committee, fully representing growers, traders, local authorities and the Government. These statutory market committees were empowered to levy fees on agricultural produce under Regulation bought and sold by licencees in the marketing area. There was also a provision to levy fees from the market functionaries operating in the market. In the district, the Act was made applicable to Sirsi taluk in 1948 for regulation of trades in areca, pepper and cardamom. Though the first committee was constituted in 1949, the actual functioning started only in 1955 as strong opposition was expressed when the bye-laws and rules of the committee were enforced after two years. Sometime later, Siddapur and Mundgod were brought under the purview of the then Sirsi Market Committee.

After the Reorganisation of the State, a more comprehensive uniform regulation known as the Karnataka Agricultural Produce Marketing (Regulation) Act 1966 was enacted and was brought into force from May 1968. The Act covers all marketing functions at the primary and wholesale level within its purview. The Act has rationalised the market charges to be paid by the seller. The maximum rate of commission has been fixed at 2% in respect of all agricultural produce other than fruits, flowers, vegetables, (for them it is 4%), inclusive of storage and insurance. The maximum market

fee leviable is Rs two for Rs 100 worth produce payable by the buyer (from 28-9-1978). According to the Act, there is a provision to create a market fund for each market which includes market fees, licence fees, grants, loans and contributions, etc., and all expenditure of the committee should be met out of this fund and funds should be utilised for purposes as laid down in the Act. Under the Act, those desiring to work as Marketing functionaries in different capacities are required to obtain licences. The District Marketing Officer is empowered to administer the provisions of the 1) Karnataka Agricultural Produce Marketing (Regulation) Act 1966; 2) The Karnataka Agricultural Produce (Grading and Marketing) Act 1973. To ensure more effective administration and implementation of the above rules and regulations, the office of the District Marketing Officer was opened at Sirsi in March 1976. After the enforcement of new Act, efforts have been made to establish separate markets to each revenue taluk wherever possible. At present (1984) the District has seven regulated markets and 15 sub-markets, and the latest one to be constituted is Karwar. The table given below indicates some particulars of each market as in 1983-84.

<i>Main markets and area of operation and year of commencement</i>	<i>Sub-markets</i>	<i>Notified commodities</i>
1	2	3
Sirsi (1954) (Covering Sirsi and Mundgod taluks)	Mundgod (1971), Banavasi (1972) Bisalkop (1972) Yedehalli (1972) Dasankop (1975)	Betelnut, pepper, banana, paddy, rice, timber, bamboo & areca.
Kumta (1961) (Kumta & Ankola taluks)	Ankola (1975)	Betelnut, pepper, coconut, groundnut, fish, banana, paddy and timber.
Haliyal (1966) (Haliyal & Supa taluks)	—	Paddy, husked & unhusked, timber, bamboo, cattle, goat, sheep.
Yellapur (1970) (Yellapur taluk)	—	Betelnut, paddy, pepper, banana, timber, bamboo.
Siddapur (1970) (Siddapur taluk)	Tarehalli (1972) (Kansur) Analebail (1972) (Herur)	Betelnut, pepper, paddy, rice, banana.

1	2	3
Honavar (1975) (Honavar & Bhatkal taluks)	Bhatkal (1975)	Paddy, rice, coconut, areca, cashewnut, groundnut, banana, pepper, fish, betel leaves, jaggery and prawns.
Karwar (1984)	Sadashivgad, Binaga, Chendiye, Arga, Amdalli, (all in April 1984)	Fish, paddy.

The total number of market functionaries functioning in all regulated markets of the district was 1,621 during 1975-76, the bulk being (1,088) traders of all class as against 1,642 total market functionaries comprising 1,138 traders and others as in 1972-73.

The table given below indicates market-wise, some important functionaries working in the regulated markets of the district for 1982-83.

Market functionaries	Agricultural Produce Market Committee					
	Sirsi	Siddapur	Yellapur	Honavar	Kumta	Haliyal
Commission Agents	18	3	6	1	12	7
'A' Class Traders	265	4	110	10	2	162
'B' -do-	36	58	28	13	66	5
'C' -do-	52	44	178	246	28	20
'D' -do-	240	173	123	529	324	132
Processors	37	23	9	24	—	50*
Stockists	31	15	16	—	—	4
Importers	37	30	45	23	46	2
Exporters	293	45	186	10	70	16

\* Includes 43 Hullers.

The table on p. 487 indicates market-wise income and expenditure of regulated markets in the district for 1978-79, 1980-81 and 1982-83.

(Amount in Lakhs)

Name of the Market Committee	Income			Expenditure		
	1978-79	1980-81	1982-83	1978-79	1980-81	1982-83
A.P.M.C. Sirsi	9.35	18.75	38.33	4.54	6.16	10.16
-do- Siddapur	2.20	3.33	4.85	1.16	1.66	2.12
-do- Yellapur	1.93	7.99	10.33	3.18	5.97	2.31
-do- Honavar	37	1.01	1.23	.33	.65	.76
-do- Kumta	3.75	4.86	18.01	1.90	2.47	3.96
-do- Haliyal	2.52	4.37	4.02	1.45	2.52	1.09

*Regulated Market, Kumta*: The A P M C, Kumta, first constituted in 1958, and began its actual functioning in 1961, exercising the jurisdiction over Kumta, Honavar, Bhatkal and Ankola taluks. Later on in 1968 Ankola, Honavar and Bhatkal were declared as sub-markets attached to Kumta Main Market. This Composite Market was bifurcated into two separate markets, one at Kumta and another at Honavar, in July 1975, and thereby the earlier area of operation was reduced to two taluks of Kumta and Ankola. A sub-market yard at Ankola was opened in 1975. The method of sale adopted is by tender system. Kumta is the only wholesale trading centre in the taluk in respect of arecanut, pepper and groundnut. The main imports and exports of this market are areca, pepper and groundnut, being imported from Sagar and Sirsi markets and exported to Maharashtra and Uttar Pradesh through Sankeshwar market. During 1982-83, the amount expended by the committee on various developmental works like construction of office building, sales hall, roads, Rayath Bhavan, etc., amounted to Rs 10.34 lakhs under the scheme of Central Assistance, while the money spent out of its own funds for various developmental works was accounted to Rs 5.83 lakhs. The total sales of betelnuts effected in the market during 1983-84 was 45,020 quintals valued at Rs 480.90 lakhs and that of pepper 99 quintals valued at Rs 1.38 lakhs, the corresponding figures for 1978-79 was 40,692 quintals of betelnut valued at Rs 287.48 lakhs and that of pepper was 166.16 quintals valued at Rs 2.06 lakhs.

### State Trading

From time to time, the Government have taken measures to regulate the supply and distribution of essential commodities under the Essential Commodities Act 1955, with a view to exercise control on production, supply and distribution of certain commodities in



the interest of the general public. At present, the Department of Food and Civil Supplies does the work of procurement and distribution of food grains and enforcement of the provisions of various control orders enacted from the Central and State Governments from time to time. Procurement of food grains like paddy and jowar is done under the Karnataka Paddy Procurement Levy Order 1966. Till 1973, the Department of Food and Civil Supplies was procuring food grains under levy orders through Food Corporation of India. Thereafter, the Karnataka Food and Civil Supplies Corporation, Bangalore, is the main agency for procurement of levy paddy and other food grains. Since 1974, the Taluk Co-operative Marketing Societies are working as sub-agents for procurement of levy paddy in the district. During 1983-84, the procurement of rice and paddy made in the district was, 3,475 and 21,233 quintals respectively as against the target fixed 5,000 and 3,000 tonnes respectively. The procurement rates for paddy for 1983-84 was Rs 140 for superfine, Rs 136 for fine and Rs 132 for common quality while in respect of rice it was Rs 218.75, 212.75 and 206.75 respectively according to the quality.

#### **Fair Price Shops**

Prior to the Reorganisation of the State, during the war time, there used to be statutory rationing system covering some important towns of the district in respect of food grains and other essential commodities. Under the public distribution system, the informal rationing was introduced in the district covering Karwar town in 1978 and subsequently it was extended to Dandeli. The total number of fair price shops in the district for distribution of rationing commodities was 357 during 1982-83, and of them 269 were located in the rural areas and the rest (88) in the urban centres. Regarding the taluk-wise distribution of these shops, the largest number, 58, were situated in Karwar followed by Kumta (55), Haliyal (50), Sirsi (34) and Ankola (32). During 1983-84 the number of fair price shops was reduced to 319 and of them 251 were situated in the rural areas and the rest (68) were in urban centres. The commodities like rice, sugar, wheat and wheat products, palmolien oil, jowar, etc., are being allotted to card holders.

#### **Warehousing**

At present, there are no ware houses of the State and the Central Warehousing Corporation in the district. The available godown facilities are mainly provided by private agencies and co-operative

societies. Prior to 1973-74, the State Government was granting financial assistance to various co-operatives for construction of large and medium-sized godowns. Financial assistance was also sanctioned by the Government for the construction of rural godowns under Crash Programme after 1974. At present N C D C has introduced a new scheme for construction of 800 rural godowns for the period 1985-89 in the district with the World Bank assistance. The total storage capacity of godowns of all categories under the co-operative sector by the end of June 1983 was 28,150 tonnes.

### Fairs

Fair (*jatras* and *uruses*) are held on the occasions of periodical festivals of many religious institutions which attract a considerable number of people from within and outside the district. Besides promoting religious and socio-cultural activities, they facilitate trade transactions by serving as timely centres of marketing of commodities of general and special utility. Old time records (1880s) attest that about hundred years ago at Gokarn during the festival, buffaloes, cows, sheeps and other cattles were brought for sale and the Shivaratri *jatra* used to attract 20-35 thousand devotees, most of them coming from Dharwad and Belgaum districts and values of the articles sold during *jatra* was about Rs 25,000 while at Sirsi during Marikamba *jatra*, there used to be a congregation of about 12,000 devotees and the value of the articles sold was about Rs 10,000. The Ulvi *jatra* used to attract about 5,000 people and the value of the articles sold was estimated at about Rs 3,000. At present, about 40 fairs take place in the district and the prominent among them being Marikamba *jatra* at Sirsi, Mahabaleshwara *jatra* at Gokarn, Channabasaveshwara *jatra* at Ulvi and Madhukeshwara *jatra* at Banavasi attract large numbers. (See also Chapter III).

### Shandis

Shandis (weekly bazars) which facilitated barter trade transactions in the olden days continue to be held at many places in the district. These weekly markets serve a useful purpose by meeting the needs as primary markets for local products or produces. In these *shandis*, number of small retail dealers of the area including small producers bring their goods for sale. Consumers and middlemen from the locality including the neighbouring markets make their trading. These primary markets are more helpful to small agriculturist, local fishermen and other small producers including craftsmen to find a ready market. These markets are very convenient

specially to the weaker sections. Shandis fetch also a revenue to village panchayats or municipalities of the place. It is observed that generally the week day of the local shandy is fixed, on the auspicious day of the prominent local deity. A weekly shandy for the exclusive trade in ropes is held at Honavar on every Saturday. At Haliyal a weekly cattle market is held. The number of cattles sold in the market during 1982-83 was about 1,198 mainly comprising of cattles (799) and sheeps (389), etc.

The Statement of the important shandis of the District is as under :

<i>Place</i>	<i>Taluk</i>	<i>The day of shandy</i>	<i>Approximate number of people attending</i>
Karwar	Karwar	Sunday	5,000
Sirsi	Sirsi	Tuesday	8,000
Banavasi	-do-	Wednesday	2,000
Kalur	-do-	-do-	2,000
Mundgod	Mundgod	Monday	2,000
Siddapur	Siddapur	Wednesday	6,000
Haliyal	Haliyal	Sunday	5,000
Dandeli	-do-	-do-	10,000
Ambikanagar	-do-	-do-	1,500
Bhatkal	Bhatkal	-do-	2,000
Shirali	-do-	-do-	1,000

### Weights and Measures

The metric system of weights and measures in the State was introduced in 1958. The available old records endorse that three different sets of weights were in use for selling gold and silver in olden days. According to one table, six grains of rice were equal to one *gunji* (abrus seed) and six *gunjis* equal to one *anna*; and sixteen *annas* were equal to one *tola*; while in the other table, *gunjis* being of the same weight twenty eight *gunjis* were equal to one *vartuka* and 3 $\frac{3}{4}$ th *vartukas* were equal to one *tola*. There was also a system which was prevailing in the district adopted from Goa and Konkan goldsmiths, accordingly eight *gunjis* were equal to one *masa*, and twelve *masas* equal to one *tola*. In the areas like Karwar, Kumta and Haliyal, the commodities like copper, brass, tin, lead, cotton, betelnut, sugar,

sandalwood, iron and steel, etc., were weighed in terms of *sher* which was equal to 20 *tolas*, two *shers* equal to one *rattal* (English pound), 28 *rattals* equal to one *mana*, and 20 *manas* equal to one *khandi*; on the other hand, in the taluks like Honavar, Ankola, Sirsi, Yellapur and Siddapur 24 *tolas* marked one *sher*; six *shers* to one *panch-sher*; two *panch-shers* to one *dhada*; four *dhadas* to one *mana*; and 20 *manas* to one *khandi*; In Bhatkal area the *dhada* consisted of  $11\frac{1}{2}$  *shers* plus four *tolas*. In Mundgod area, one *dhada* comprised  $12\frac{1}{2}$  *shers*; four *dhadas* one *mana*; eight *manas* one *heru*; and  $2\frac{1}{2}$  *herus* was equal to one *khandi*. In Supa area, *panch sher* consisted of  $6\frac{1}{4}$  *shers* and *dhada* comprised two *panch shers*.

In the district, there were two kinds of capacity measures that were in existence, one for measuring grains and other for liquids. The grain measures for Karwar and Ankola taluks were as follows: Thirty two *tolas*=one *atva*, six *atvas*=one *kudav*, twenty *kudavs*=one *khandi* and twenty *khandis*=one *kumb*. In Kumta and Honavar taluks nine *tolas* were equal to one *solge*; two *solges*=one *arval*, two *arvals*=one *sidde*; two *siddes*=one *sher*, three *shers*=one *kudav*; 14 *kudavs*=one *mudi*, twenty *kudavs* one *khandi* and forty two *mudis* one *korji*. In Haliyal area, a *sher* consisted of 96 *tolas*, two *shers* were equal to one *padi* and two *padis* were equal to one *chitte*, sixteen *chittes* were equal to one *vakkal*, two *vakkals* were equal to one *heru* and ten *herus* equalled one *khandi*. While in Yellapur taluk two *shers* (of 96 *tolas*) were equal to one *pav*, two *pavs* one *chitte*, two *chittes* one *kolga* and twenty *kolgas* one *khandi*; for Sirsi area, four *shers* marked one *kolga* and twenty *kolgas* one *khandi*, twenty *khandis* one *hire khandi*. In Siddapur area thirtysix *tolas* marked one *sidde*; two *siddes*=one *kolga* and twenty *kolgas* one *chitni-khandi*. In Bhatkal area, twentyeight *tolas* marked one *sidde*, four *siddes* one *hane*, and two *hanes* one *kolga*; five *kolgas* one *kalshi* and four *kalshis* one *mudi* or *khandga*. It was 140 *tolas* for one *pav* and two *pavs* one *chitte* and thirtytwo *chittes* one *andge*, two *andges* one *heru* and four *herus* one *khandi* in Mundgod area. For liquids like milk, oil, palm juice, and sugarcane juice, etc., in Karwar area four *tolas* equalled one *navtaq*, eight *navtaqs* to one *sher*, ten *shers* to one *dhada* and four *dhadas* to one *mana*. In Ankola taluk, thirty-three *tolas* made one *sidde*, four *siddes* one *chembu*, and sixty seven *siddes* one *hane*. In Honavar taluk, thirty *tolas* were equal to one *sher*, four *shers* one *panch-sher* eight *panch-shers* equalled one *mana* and two *manas* one *hadu*. While in Yellapur, 40 *tolas* marked one *rattal*, three *rattals* one *chembu* and sixteen *chembus* one *mana*.

In the district, cloth, tape, etc., were sold by the yard length

measure in addition to a *mola* and *maaru* made out of wooden or bamboo piece. Timber was measured by adopting the table ; i.e. 1 1/6 inches marked one *visva*, twenty *visvas* one *vas*, five *vasas* one *quarter*, and four *quarters* one *khandi* ; and lime was sold by capacity measuring twenty *kudavs* marking one *khandi*, and twenty *khandis* one *kumb*. On the basis of standards of Weights and Measures Act, 1956, the Karnataka Weights and Measure (Enforcement) Act 1958 was brought into effect in this district from 1st April 1962, replacing the Bombay Weights and Measures Act, 1932. For effective enforcement of the various provisions of the 1958 Act, the office of the Assistant Controller of Weights and Measures was opened in the district at Karwar in 1962. During 1983-84, in the district, 4,606 traders, 180 industrial establishments, 49 H S D and petrol pumps, were brought under the regulations of the Department and number of units revamped and stamped during the above year were 45,084 weights, 24,094 weighing instruments, 13,124 measures and 91 measuring instruments. During 1983-84 the department had realised verification and stamping fees of Rs 1,13,522 and fine amount of Rs 8,150, for contravening the provisions of the Act in respect of 192 cases. The corresponding figures for 1980-81 stood at Rs 51.174 and Rs 2,452 in respect of 39 cases.

### Trade Associations

The district has several associations of traders and merchants connected with different categories of trades, occupations and industries. These are non-workers' voluntary associations formed to promote and protect the interest of trade and commerce. These bodies also undertake by arbitration the settlement of disputes between businessmen, collect, classify and disseminate statistical and other commercial information for the benefit of businessmen. In the district, many of these associations are not registered and regularly functioning bodies. The trade and commerce centres like Sirsi, Siddapur, Kumta, Honavar and Ankola have got these organisations. The chief trade associations of the district include : 1) North Kanara District Chamber of Commerce, Industry and Agriculture, Sirsi, 2) Kirana Dalals' and Merchants' Association, Sirsi, 3) Betelnut Merchants' and Commission Agents' Association, Kumta, 4) Hotel Owners' Association, Sirsi and Karwar, 5) Cloth Merchants' Association, Sirsi, 6) Merchants' Association, Kumta and 7) Merchants' Association, Honavar.

*North Kanara District Chamber of Commerce :* The North Kanara

District Chamber of Commerce, Industry and Agriculture, Sirsi was started in 1973 and was registered in 1974. Among other things, the chief objectives of this Merchants guild are to promote and safeguard the interest of traders, industrialists and agriculturists of the district, to promote the commercial interest of the district in the matters relating to inland and foreign trade, shipping and transportation, to facilitate the developmental activities of the district, etc. Since its inception, the Chamber is playing very useful role in several spheres of economic and industrial development of the district and has played active role in securing Indo-Danish Fisheries Project at Tadri, Development of Karwar port, Hubli-Karwar railway proposal, preservation of forest, establishment of industrial estates at Sirsi, Dandeli, Kumta and Karwar, etc. The total membership of the association was 67 in 1973, and was increased to 204 during 1983.

*Betelnut Merchants and Commission Agents Association:* This Association of Kumta was founded as early as in 1944 mainly to promote educational and socio-cultural activities of the local area by rendering financial aid, mainly contributed by the traders and commission agents of the local regulated market. Since its inception upto 1983, the association has made liberal donations to many of the local educational institutions like Canara College Society, local Higher Primary School for Boys and Girls and other institutions.

*Sirsi Kirani Dalal's and Merchants' Association:* This association of merchants, confined to Sirsi town was registered in 1973-74. It aims at the promotion of trading interest of *kirani dalals* and other merchants dealing in *kirani* goods of local market in addition to help to settle their disputes amicably. The association also undertakes bulk purchase of *kirani* and other controlled or regulated goods and supplies them to their members on wholesale or retail basis, etc. The membership of the association was nine in 1983. This association is affiliated to Karnataka Chamber of Commerce and Industry, Hubli.