

## CHAPTER 6

### **BANKING, FINANCE, TRADE AND COMMERCE**

**B**efore the commencement of modern banking in the beginning of the 20<sup>th</sup> Century, in Dakshina Kannada district the money lending transactions were very much limited. The traders used to get loans from the private money lenders on higher rate of interest. There were no financial institutions or agencies to initiate small savings or deposits from the general public and to render financial assistance for trading and commercial activities. In course of time, due to the expansion of commercial and trading activities and an increased money supply has made the way for private money lending activities on large scale. The historical evidences reveal that the part of interest derived on the loans extended without offering any security was to be endowed to temples. The loans granted without any security was known as '*Mai-sala*'.

There was a practice of receiving interest even in kind, on cash loans also. This practice is even now in existence but rarely and most of the money lenders of the district do money lending in rural areas. It is found that the system of money lending known as '*holi*' wherein the lending is done in kinds only specially in grains on exorbitant rate of interest (ranging from 25% to 50%) in the interior rural segments of the district. Under this practice of lending in kinds, the borrower (tenant) of the rice has to return to the lender, 14 seer of extra rice on every 42

seer of rice borrowed as per the agreement from him after the harvest is over i.e 33% in excess of the grain he borrowed on loan.

### **Mutual help Nidhis and Kuri Funds**

Before the commencement of modern Banking, the local financial institutions known as *Nidhis* and their practice of money lending was very popular in South India. In those days of mutual help, the *Nidhis* founded by influential people, were helpful in catering the financial requirements of business and trade to meet the domestic financial needs and unexpected contingent financial requirements and most of these *Nidhis* were founded by the people of the Nagartha Community and were governed by the rules and regulations formulated by the members, who managed these financial institutions. It is observed that even now, these *Nidhis* are being operated at several places in South India.

The Banking enquiry committee of 1929 has earlier observed about the existence of operation of "*Kuri*" funds in some parts of Dakshina Kannada. These 'Funds' were engaged in the organization of people who used to mobilize certain amount (funds) from the associates. Likewise, different groups were also organized based on the strength of the members and the volume of investment in funds. The total money mobilized in each group used to be auctioned, and the highest bidder used to get the amount mobilized (fund) and the bid amount so realised by auction, used to be distributed among the member of the group equally.

### **Money Lenders**

Since long ago, it was a common practice that small land holders and agricultural labourers found in large number in rural areas depending mostly on professional village money lenders or *Sahukars* for the loans required by them. If the earlier mentioned practice of lending known as "*holti*" had enhanced the wealth of the professional money lenders on the one hand, the continuous groaning situations of the poor borrower due to the heavy burden of the loan had made him to suffer the worst on the other hand. Generally, the money lenders used to lend money on higher rate of interest on the security of promissory notes, or on the basis of personal or joint security provided by the borrowers. Loans were also granted on the security of lands or other immovable assets, and loans were granted for a period of one or two years, and compound interest was chargeable in case if the

borrower fails to pay the simple interest. As such it was not possible for the small farmers to secure back his mortgaged land or property from the money lenders. Even after the commencement of banking and other financial institutions, it was not so easy to the farmers to get loans from these institutions due to various reasons like lengthy and cumbersome procedures, delay in the distribution etc., which made the farmers to have an easy excess to money lenders, who used to finance easily by adopting simple procedures at the convenience of the borrower.

### **Indebtedness**

In the absence of comprehensive and systematic survey of rural indebtedness it is not possible to assess precisely the economic conditions of the district and the management of the rural credits etc. It is generally said that an ordinary farmer used to find it great difficulty to lead a life out of the income derived from the farming or agriculture after paying the land lease amount to the land lords. Generally after the completion of the agricultural operations by the end of June, possibilities of getting permanent employment being very much limited to the small and marginal agricultural farmers and labourers except petty job, and in such a situations they were compelled to approach the village money lender or landlords for the cash loan or the grain loans. As said earlier the practice of "holi" system of lending in grains was helpful in adding wealth and making the lender richer. However, during the Second World War the practice of "holi" system, received a setback to small extent, since the Government started the procurement of rice. But, the system continued after the close of the war. At the same time, the government initiated the programme of social welfare under which the scheme of distribution of short term loans to farmers was initiated. Since the loans availed by the farmers under the scheme was used for the non productive purposes like domestic expenses, as such the farmers were made to suffer continuously under the debt obligation.

In order to know the economic conditions of the Farmers in the State, the then Government of Madras appointed Sir Fredrick Nicholson a British Officer in 1895. In 1930, a provincial Banking Enquiry Committee was appointed for the purpose. Further in 1934, Dr. P.J. Thomas of the Madras University was appointed to this work. But none of these reports reveal any required information pertaining to Dakshina Kannada district.

In 1957-58, an economic survey was conducted by the Gokhale Institute of Political Science and Economic Affairs, Pune headed by A..R. Rajpurohit pertaining to a small village Padu Tonse of Udupi taluk. According to the model survey, among the total households in the village, 84.3% of the households were in debt and average loan of the individual in the village was Rs.111.30 as per the report. In 1961, as a part of Census survey Naravi Village of Belthangadi taluk was selected. According to the survey, the families in the income group of Rs.25 and less per month, had an average loan of Rs.241 per family, where as the families with a higher income group i.e., Rs.26 to 50 per month had an average loan of Rs.176 as revealed by the survey. Regarding the purposes of the loan, it is found that nearly 66% of the families had borrowed for meeting the domestic expenses, and only four percent of the families had borrowed for religious purposes and the number of families who had borrowed for paying land rent was accounted to four percent as revealed by the survey.

#### **Debt Relief Measures (Prior to 1956)**

During the rule of Warran Hastings, attempts were made by the government to extend relief to the debtor farmers from village Sahukars (money lenders) by constituting Debt Conciliation Boards. A little earlier to 1885, according to the provisions of the rules of the Madras government the rate of interest on loans was fixed at 12 percent. The amendment was made to the Indian Contract Act in 1889. Accordingly, money lending transactions indulging undue influences and pressure were declared as void and illegal contracts. But an ordinary farmer had not enough courage to prosecute the money lender under the provisions of the above said Act. Hence, the government of Madras prevailed upon the government of India to enact a suitable legislation to regulate and control usurious money lending practices in 1906. Though, the government of India enacted Usurious Loan Act in 1918, but it was not implemented uniformly all over the Madras State, instead it was very rarely made use of. The World economic depression of 1929-30, which again pushed the poor rural farmers, indebt, and ignited the agony and groaning conditions etc., compelled the government to adopt suitable legislative and other measures to regulate and control money lending business. Accordingly, for the first time in 1935. Madras Debtors Protection Act was implemented, and according to the provisions of this Act, a small debtor covering a loan less than Rs.500/- was given protection.

According to Section IV of Madras Act of 1936, the rate of interest fixed on loans with security and without security were 9 and 15 percent per annum respectively. An amendment was introduced to Madras Agricultural Loan Act, 1935, Section XVI and accordingly, an arrangement was made to repay the loan amount of debtor farmers borrowed from the private money lenders. The Madras Debt Conciliation Act was implemented and efforts were made for the amicable settlement of farmer's loans. In order to extend further relief to the farmers, another important legislation known as Madras Agriculturist Relief Act 1938 was implemented and accordingly, steps were taken not only to reduce the outstanding loan amount but also to reduce the rate of interest prevailing at the time.

After the reorganization of the State, a more comprehensive and uniform legislation known as Karnataka Money Lenders Act 1961, and Rules 1966 and Karnataka Pawn Brokers Act 1961 and Rules 1966 were implemented all over the State. As per the provisions of the Act, the Registrar of Co-operative Societies in the State will act as ex-officio Registrar General of Money Lending in the State.

At the district level, the Deputy Registrar of Co-operative Societies will act as an ex-officio Registrar of money lending. He regulates and control the money lending activities in his jurisdiction. According to the present Act, those who would like to undertake money lending as business, should obtain the required licence otherwise it becomes an offence as per law. The Government Act of 1965, has prescribed 15% interest per annum for loans covered with security and 18% for those without security. The Department of Co-operative was reorganized in 1966, and accordingly the former Assistant Registrar of the district was redesignated as Deputy Registrar of co-operations and the head for sub division was designated as Assistant Registrar of co-operations. Since then, these officers administered Karnataka Money Lending and Pawn Brokers Act 1961 and Karnataka Chit Fund Act 1982 and Rules there under 1982.

In 1992 the rate of interest on loans chargeable by the money lenders was revised. Accordingly, on secured advances 21 percent, while on the unsecured 23 percent interest per annum were chargeable. In view of the prevailing continuous drought conditions in the state, beginning with the new century, the interest rates were further reduced. According to the government notification of 2003, now, the prevailing

interest rates are 14 and 16 percent for secured and unsecured advances respectively. It is mandatory that for every five years money lender's license was to be renewed. In Dakshina Kannada district during 1966-67, there were 24 licenced money lenders. It later increased to 30 by 1971-72 and of them 27 were in Mangalore City only. The table given under indicates, the number of Money Lenders and Pawn Brokers serving in the district for some years from 1985-86 to 2003-04.

**Table: 6.1 : Number of Money Lenders and Pawn Brokers of the District**

| Particulars          | 1985-86 | 1990-91 | 1995-96 | 2001-02 | 2002-03 | 2003-04 |
|----------------------|---------|---------|---------|---------|---------|---------|
| No. of Money Lenders | 108     | 107     | 394     | 258     | 269     | 278     |
| No. of Pawn Brokers  | 132     | 196     | 849     | 342     | 354     | 354     |

The table given below indicates the volume of monetary transactions effected by the money lenders and Pawn Brokers in recent years in the district.

**Table 6.2: Volume of Transactions by the Money Lenders and Pawn Brokers in the District**

| Year    | Total Money Loaned by the Money Lenders | Total Money financed by Pawn Broker | Deposits mobilized by the Pawn Broker |
|---------|---|-------------------------------------|---------------------------------------|
| 2000-01 | 501.68                                  | 963.67                              | 224.16                                |
| 2001-02 | 508.45                                  | 582.81                              | 356.73                                |
| 2002-03 | 499.16                                  | 89.65                               | 15.07                                 |
| 2003-04 | 401.93                                  | 446.87                              | 68.35                                 |
| 2004-05 | 378.08                                  | 91.04                               | 10.20                                 |

Source : District Co-operation Department, Mangalore.

This table indicating the amount of Licence fees and security deposits collected by the Money Lenders and others during the last five years in the district.

**Table 6.3: Licence Fees and Security Deposits collected by the Money Lenders in the District (Amount in Lakhs)**

| Year    | Licence Fees | Security Deposits |
|---------|--------------|-------------------|
| 2000-01 | 2.46         | 4.20              |
| 2001-02 | 2.92         | 4.05              |
| 2002-03 | 7.34         | 5.40              |
| 2003-04 | 2.62         | 3.07              |
| 2004-05 | 12.17        | 3.30              |

Source : District Co-operation Department, Mangalore.

### Finance Corporations

In the prevailing conditions of an unorganized money market, in addition to private Money lenders and Pawn brokers, the other non Banking Financial Institutions like Nidhis,, Chit Funds and Finance Corporations too participate. These Corporate bodies do under take many non banking business by establishing their offices in the district head quarters or in the important commercial centres of the district. The number of Corporations founded from outside the State and the district have also opened their branches in the district. These non banking financial Corporations extend the loans and advances for the promotion of local industries, trade and commerce; for purchase of machinery, hypothi-cation loans for hire purchase etc. They also attract deposits from the general public from the middle class by means of various incentives and tempting offers etc. Most of the customers of these Finance Corporations will be small traders employees of organized sectors and those engaged in motor vehicle business etc.

Though these financial institutions are capable of mobilizing deposits by cultivating the habit of thrift in the general public, many a times, their unregulated and unrestricted business activities leads to bankruptcy, or liquidation, and cheating of general public. Generally, these Corporations are registered and managed under the provisions of Indian Partnership Act 1932 or the Indian Corporations Act 1956.

At the district level, the Deputy Registrar Co-operative Societies exercises the control over these Finance Corporations under the provisions of Karnataka Money Lenders Act 1961.

The number of Finance Corporations for some recent years, in Dakshina Kannada district were as follows : 1985-86 = 477, 1990-91 = 639, 1995-96 = 918, 2001-02 = 986, 2002-03 = 958, 2003-04 = 907. The volume of deposits mobilized and the amount of loans and advances made by these organizations respectively during the last five years were as follows :

|         |   |                                     |
|---------|---|-------------------------------------|
| 2000-01 | = | Rs.346.16 Lakhs and Rs.557 Lakhs    |
| 2001-02 | = | Rs.507.24 Lakhs and Rs.832.37 Lakhs |
| 2002-03 | = | Rs.43.16 Lakhs and Rs.606.68 Lakhs  |
| 2003-04 | = | Rs.57.20 Lakhs and Rs.572.05 Lakhs  |
| 2004-05 | = | Rs.17.01 Lakhs and Rs.199.76 Lakhs  |

The number of Chit Funds registered in the district under the Chit Funds Act 1982 were as follows : 2000-01 (13), 2001-02 (13),

2002-03(6), 2003-04 (4), and 2004-05(8). The total amount of Chits transacted during the above years respectively were accounted to Rs.62.70 lakhs, Rs.64.20 lakhs, Rs.13.20 lakhs, Rs.18.60 lakhs and Rs.31.60 lakhs.

### **Commercial Banking**

As per the records, there are no evidences available regarding the existence of any organised Financial Institutions in the district before the commencement of the 20<sup>th</sup> Century. The contemporary valuable publications like Sturrock and Stuarts manuals meant for South Canara are silent about this. But, the 1895 Fredrick Nicholson's report makes a mention about the existence of Nidhis or Mutual help funds founded by the middle class in some parts of the Madras province which were well established. Even this report is also silent about the existence of such native financial institutions. Hence, it can be said that the district had no authentic traces of the existence of any organized institutions of finance.

Before the establishment of local native banks in the district, there were two banking institutions functioning here. A branch of the Madras Presidency Bank established under the leadership of East Indian Company government (1843) (later was changed as Imperial Bank of India (1921) and as State Bank of India in 1956) had its branch at Mangalore in 1868 and it's services were limited to selected rich customers only. Later on, a British Trading Company known as Arbuthnot Company was also doing financial business in Mangalore. These financial institutions away from the reach of the common men were doing a profitable business. Arbuthnot Banking Company was declared bankrupt in 1906. It was closed down because of speculative financial activities, since it had invested a huge amount in speculative business ventures like American Railways, Gold Mining in Africa etc., which suffered a heavy loss and hence closed down its business in Dakshina Kannada district. The winding up of the Arbuthnot Banking Company and the inspiring spirit of the Swadeshi movement in 1906 and its influence in the district on general public etc., made way for the establishment of native joint stock companies.

Since there were no restrictions regarding the minimum capital to be mobilized to launch a Banking Company the educated enterprising people mostly drawn from different professions like merchants, lawyers, doctors and others came forward to launch their own community banks.



Those were the days that the community spirit and feelings helped for the sponsorship of the Banking Companies and also served as a cushion in times of difficulties and need. The restrictions found in the constitution of some of the banks in the beginning were so rigid and restrictive that the membership was opened only to a particular caste or community, and were the only shareholders of the respective banks.

The first bank to be registered in the undivided Dakshina Kannada district was Canara Banking Corporation Ltd., established at Udupi on 28<sup>th</sup> May 1906 (in 1939 it was renamed as Canara Banking Corporation, (Ltd.) in 1958, and the administrative office of the bank was shifted to Mangalore, in 1972, was again renamed as Corporation Bank and it was nationalized in 1980. A little later, on 1<sup>st</sup> July 1906 Canara Hindu Permanent Fund was registered at Mangalore (in 1910 it was renamed as Canara Bank Ltd., in 1954 its administrative office was shifted to Bangalore and was nationalized in 1969). The Karnataka Bank Ltd., being one of the leading private sector banks in the State was registered in Mangalore on 28<sup>th</sup> Feb. 1924. The present Syndicate Bank was registered in Udupi on 20<sup>th</sup> October 1925 as Canara Industrial and Banking Syndicate Ltd., and its name was changed as Syndicate Bank Ltd., in 1961. The Central Office of the Bank was shifted to Manipal Near Udupi (three km. from Udupi) in 1964, and it was nationalized in 1969. The Vijaya Bank founded at Mangalore on 5<sup>th</sup> May 1931 was nationalized in 1980. Table No.6.3(a) indicates the details of banks founded in Dakshina Kannada district in addition to the above mentioned five leading banks.

**Table 6.3(a): Particulars of Banks founded in the undivided Dakshina Kannada District**

| Sl. No. | Name of the Banking Co.               | Place of Birth | Date of Registration | Particulars   |
|---------|---------------------------------------|----------------|----------------------|---|
| 1.      | Canara Banking Corporation Udupi Ltd. | Udupi          | 28-05-1906           | Name changed as Corporation Bank in 1972, Nationalised in April 1980. |
| 2.      | Canara Hindu Permanent Fund Ltd.      | Mangalore      | 01-07-1906           | Name changed as Canara Bank in 1910 Nationalised in July 1969.        |

| Sl. No. | Name of the Banking Co.                             | Place of Birth | Date of Registration | Particulars   |
|---------|---|----------------|----------------------|---|
| 3.      | <b>Kanara Enterprises Ltd.</b>                      | Putturu        | 13-03-1920           | 1945 Name changed as Canara Commercial Bank Ltd., Liquidated in 1950. |
| 4.      | <b>Pangal Nayak Bank Ltd.</b>                       | Udupi          | 15-04-1920           | Merged with Canara Bank in 1968.                                      |
| 5.      | <b>Jayalakshmi Bank Ltd.</b>                        | Mangalore      | 11-10-1923           | Merged with Vijaya Bank in 1967.                                      |
| 6.      | <b>Karnataka Bank Ltd.</b>                          | Mangalore      | 28-02-1924           | Continued as Private Bank   |
| 7.      | <b>Udupi Bank Ltd.</b>                              | Udupi          | 05-05-1925           | Liquidated in 1956  |
| 8.      | <b>Catholic Bank Ltd.</b>                           | Mangalore      | 05-06-1925           | Merged with Syndicate Bank in 1961                                    |
| 9.      | <b>Canara Industrial and Banking Syndicate Ltd.</b> | Udupi          | 20-10-1923           | Name changed as Syndicate Bank in 1961 and Nationalised in 1969.      |
| 10.     | <b>Moolki Bank Ltd.</b>                             | Mulky          | 15-07-1929           | Merged with Syndicate in 1961.  |
| 11.     | <b>Vijaya Bank Ltd.</b>                             | Mangalore      | 02-05-1931           | Nationalised in April 1980.   |
| 12.     | <b>Bank of Mangalore Ltd.</b>                       | Mangalore      | 04-05-1931           | Merged with Syndicate Bank in 1959                                    |
| 13.     | <b>Kundapur Bank Ltd.</b>                           | Kundapur       | 13-08-1932           | Liquidated in 1940  |
| 14.     | <b>Tulunadu Bank of supply Agencies Ltd.</b>        | Udupi          | 02-10-1933           | Liquidated in 1940  |
| 15.     | <b>Jayakarnataka Banking and Trading Co. Ltd.</b>   | Kalyanapura    | 26-11-1933           | Defunct from 1949 and Registration cancelled in 1959.                 |
| 16.     | <b>Nagarkar's Bank Ltd.</b>                         | Mangalore      | 25-09-1934           | Merged with Syndicate Bank in 1959                                    |
| 17.     | <b>Agricultural and Industrial Bank Ltd.</b>        | Kundapura      | 07-11-1934           | Liquidated in 1953  |
| 18.     | <b>Ple Money Bank (Private) Ltd.</b>                | Mangalore      | 21-12-1934           | Merged with Syndicate Bank in 1961                                    |

| Sl. No. | Name of the Banking Co.       | Place of Birth | Date of Registration | Particulars                        |
|---------|-------------------------------|----------------|----------------------|------------------------------------|
| 19.     | Attur and Jawahar Bank Ltd.   | Mangalore      | 29-06-1939           | Liquidated in 1951                 |
| 20.     | Southern India Apex Bank Ltd. | Udupi          | 25-06-1942           | Merged with Syndicate Bank in 1953 |
| 21.     | Maharashtra Apex Bank Ltd.    | Udupi          | 26-04-1943           | Merged with Syndicate Bank in 1953 |
| 22.     | Prabhakar Bank Ltd.           | Mudubidri      | 28-03-1945           | Liquidated in 1953                 |

Source : Karnataka State Gazetteer Part II 1985.

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

### **Growth of Banks and Expansion of Branches**

Prior to the adoption of Banking Companies Regulations Act 1949, there were no restrictions in the opening of branches by the Banking Companies. By 1920, some of the banks of the district adopted the policy of business expansion by starting branches, which was also considered as a prestige of the bank. Accordingly, several banks of the district opened branches in both native district and also outside the district, at centres noted for trade and commerce. Some of the banks from outside the district also opened their first branches in the port town Mangalore. The Nedungadi Bank Ltd., of Malabar district originated from Calicut in 1913 was the first such native bank to open its branch at Mangalore in 1920 from outside.

It appears that this branch was working for some years during the decade of 1950's, was closed for some years, and after a long gap, this closed branch was re-opened in 1982. Finally this bank was merged with the Punjab National Bank in 2003. The Canara Banking Corporation of Udupi opened its first branch at taluk Head quarters of Kundapur also in 1923. In those days, in the absence of direct road links much of the merchandise from the district moved to other places through the Kundapur seaport. The second branch of Corporation Bank was opened in Mangalore in August 1926. The Canara Bank of Mangalore launched its branch expansion programme in 1926. By this time, Mangalore city had four branches of native banks in addition to a branch of Imperial Bank of India and a branch of Nedungadi Bank, which opened its first branch at Karkala on 1<sup>st</sup> April 1926 (Later branches were opened outside the district i.e., Kasargod and Cochin). By this time, Karkal was

developed as an important trade centre and it used to export rice and other food grains to Mangalore.

Prior to 1920, in banking transactions, Savings Bank Accounts (S/B) were not in vogue, and only fixed deposit facilities were in practice. The credit of first introduction of Savings Bank Accounts goes to Canara Banking Corporation in 1920. Earlier, there used to be certain restrictions for the amount of money to be deposited and withdrawn, with regard to Savings Bank Accounts. Loans were granted on availing full security - Business loans and Bills of Discount (Hundi's) were the common methods of loans adopted and most of the bank customers were traders and merchants. Loans on the security of gold and jewellery was the common lending policy adopted by most of the bankers. This lending practice of banking was useful for all types of customers as and when they required. The progress of local banks of the district during 1915-16 and 1926 is appended in the table No.6.4.

**Table 6.4: Progress of Local Banks in the district**

| Sl. No. | Name of the Banks                      | Paid up Share Capital |      | Deposits  |       | Advances  |      | Net profit |      |
|---------|--|-----------------------|------|-----------|-------|-----------|------|------------|------|
|         |  | 31.3.1916             | 1926 | 31.3.1916 | 1926  | 31.3.1916 | 1926 | 31.3.1916  | 1926 |
| 1.      | Canara Banking Corporation Udupi Ltd., | 0.26                  | 1.98 | 0.04      | 6.44  | 0.35      | 8.15 | 0.02       | 0.25 |
| 2.      | Canara Bank Ltd.,                      | 1.94*                 | 3.50 | 4.33*     | 25.09 | 6.17*     | 9.96 | 0.31*      | 0.74 |
| 3.      | Pangal Naik Bank Ltd.,                 | -                     | 1.50 | -         | 6.04  | -         | 9.06 | -          | 0.30 |

\* as on 31-12-1915 (Note : Information is not available for Canara Enterprises).

Source : The Banking Saga: History of South Canara Banks by Dr. N.K. Tingalaya, 1999.

By 1926, the first two of the above listed three banks have completed the banking services in the district for two decades and another seven banks were also doing banking business in the district. By 1926, Canara Banking Corporation had three branches all located within the district. Canara Bank had total four branches by 1926, and of them two were located outside the district. By this time the Pangal Nayak Bank had not yet opened any branches (except the head office). It's first branch was opened at Mangalore in 1928. Mangalore based Jayalakshmi Bank opened its first branch at Puttur in 1927. Canara Bank made an attempt to open its branch at Bombay (Mumbai) in order

to expand its commercial business in a far away place in 1928 and by this time, the district head quarters Mangalore had already established commercial contacts with commercial hub of Bombay. Since 1867, the steamer services were made available for the movement of goods and passengers between Mangalore and Bombay. Most of the merchants of Dakshina Kannada district had opened their agency houses known as 'Pedi' in Bombay. Canara Bank had opened its branch at Bombay in 1928 in order to mainly facilitate the Dakshina Kannada based business agency houses. Mangalore had trade links with Madras (Chennai). Karnataka Bank was the first Dakshina Kannada based bank to open its branch in Madras in 1930 followed by a branch of Canara Banking Corporation in 1932.

In order to inculcate the habit of thrift and to encourage small savings in general public Canara Industrial and Banking Syndicate (Udupi) Ltd., made the beginning of a Pigmy Deposit Scheme in 1928. Under this plan, the Bank used collect a small deposit of two *annas* (12 *pie* or *kasu per anna*) per day at the door steps of the customers and used to repay a huge sum after seven years. This popular small savings deposit scheme was later adopted by other banks with different names by adopting suitable or minor changes in its modus operandi etc., Canara Industrial and Banking Syndicate (Udupi) opened its first branch in a small village Brahmavar of Udupi Taluk in 1928 followed by its second branch in 1929 at Kumta a trading centre of Uttara Kannada district. By the end of 1936, this bank had opened in all 27 branches, which included branches at Kundapur (1934), Karkala (1936). It's first branch in Bangalore (Gandhinagar) was opened in 1933. By 1937, it had opened its branch at Bombay (port branch). By this time, Canara Bank had five branches working in Bombay. Canara Bank had opened its branch at Bangalore in 1933. Agriculture and Industrial Bank of Kundapur had opened its two branches in Bainduru (small port town) in 1935, and later in Koteshwara in 1937.

Vijaya Bank started its expansion programme by opening its first branch in 1936 at Kapu (Udupi taluk) and second branch at Kundapur in 1937. The Catholic Bank had opened its branches in Christian dominated places like Udupi in 1936 and other places like Kalyanapur and Shirva of Udupi taluk and Kinnigoli of Mangalore Taluk by 1937. The Radha Bank Ltd., from Calicut (Kallikote), outside the Dakshina Kannada district, had opened its Mangalore branch in 1934. However, it was closed in 1945. By 1936, the district had in all 43 bank branches which included Canara Bank (11), Canara Industrial and Banking

Syndicate (7), Canara Banking Corporation (4), Vijaya Bank (2), Karnataka Bank (2), and rest of the banks together had 17 branches.

By 1930's Mangalore City had attained the importance as one of the prominent growth centres of banking industry in India. The Clearing House facilities were provided here in 1936, managed by the Imperial Bank of India, and during that time such facilities were available only at 13 centres in India and Mangalore was one such centre. The Bank of Mangalore had opened its first branch at Padubidre and Pane Mangalore in 1937 followed by a branch at Mudbidre in 1938. Kundapur Bank before its liquidation on August 4<sup>th</sup> 1940, had opened branches at Brahmavara (1936) and Shankaranarayana (1937). Nagarkar's Bank of Mangalore had opened its first branch at Buntwal in 1940 and three years thereafter Mangalore Port branch. The Jayakarnataka Banking and Trading Co., of Kalyanapur of Udupi Taluk had opened its Mangalore branch in 1940 and had shifted its head office to Mangalore after closing at Kalyanapur. In 1941 the merger of Radha Bank of Calicut (Kallikote) with Jayalakshmi Bank of Mangalore took place, thereby Kundoti and Mallapuram branches of erstwhile Radha Bank of Kerala came under the control of Jayalakshmi Bank.

In 1946, the Jayalakshmi Bank had in all 10 branches and of them only two (Mangalore Head Office and Puttur branch) were in Dakshina Kannada district. The Vijaya Bank opened its first branch at Bombay (Mumbai) in 1944 and by 1946, it had opened in all 13 branches including eight working within the district. The Udupi Bank, originated from Udupi town had opened its first branch at Kalyanapur in 1943 followed by Padubidre (1944), Kundapura and Mundakuru (1945) and Mangalore branch in 1946. The Kanara Enterprise of Putturu had opened its first branch at Vitla of Buntwal Taluk in 1945. The activities of Attur and Jawahar Bank was limited to Mangalore town and had opened its lonely branch at Kankanadi, a market place of Mangalore in 1941. The Canara Industrial and Banking Syndicate sponsored two branches in Udupi during 1942 and 1943. Since it had no branches in Kerala, Tamilnadu, and Bombay province, it sponsored Southern India Apex Bank to cover areas of the Maharashtra Apex Bank to cover the Bombay province. In 1946, the Southern India Apex Bank including its Head Office at Udupi had in all seven branches located at Calicut, Coimbatore, Madras, Payyanuru, Taliparamb and Tellichery and the Maharashtra Apex Bank had opened branches at Sangli, Kholapur, Karad and Rabakavi. Both of these banks merged with the sponsored institution in 1953. The branch expansion particulars of undivided Dakshina Kannada district as in 1939, 1946 and 1953 is appended in the table here.

Table 6.5: Branch Expansion particulars of undivided Dakshina Kannada district

| Sl. No.                     | Banking Companies                            | 1939                  |   | 1946                  |   | 1953                  |   |
|-----------------------------|--|-----------------------|---|-----------------------|---|-----------------------|---|
|                             |  | Total No. of Branches | No. of Branches in Dakshina Kannada Dist. | Total No. of Branches | No. of Branches in Dakshina Kannada Dist. | Total No. of Branches | No. of Branches in Dakshina Kannada Dist. |
| <b>A. MAJOR BANKS</b>       |  |                       |   |                       |   |                       |   |
| 1.                          | Canara Bank Ltd.                             | 37                    | 11  | 47                    | 9   | 43                    | 9   |
| 2.                          | Canara Industrial and Banking Syndicate Ltd. | 35                    | 8   | 83                    | 31  | 92                    | 28  |
| 3.                          | Canara Banking Corpn. Ltd.                   | 18                    | 6   | 31                    | 6   | 38                    | 6   |
| <b>B. MEDIUM SIZE BANKS</b> |  |                       |   |                       |   |                       |   |
| 1.                          | Jayalakshmi Bank Ltd.                        | 6                     | 2   | 10                    | 2   | 10                    | 2   |
| 2.                          | Karnataka Bank Ltd.                          | 4                     | 3   | 7                     | 5   | 8                     | 5   |
| <b>C. SMALL SIZE BANKS</b>  |  |                       |   |                       |   |                       |   |
| 1.                          | Vijaya Bank Ltd.                             | 5                     | 5   | 13                    | 9   | 13                    | 9   |
| 2.                          | Agriculture and Industrial Bank Ltd.         | 10                    | 3   | 17                    | 2   | 8                     | 1   |
| 3.                          | Catholic Bank Ltd.                           | 5                     | 5   | 6                     | 6   | 9                     | 9   |
| 4.                          | Bank of Mangalore Ltd.                       | 4                     | 4   | 7                     | 6   | 6                     | 5   |
| 5.                          | Nagarkar's Bank Ltd.                         | 1                     | 1   | 3                     | 3   | 3                     | 3   |
| 6.                          | Udupi Bank Ltd.                              | 1                     | 1   | 6                     | 6   | 3                     | 3   |
| 7.                          | Kanara Enterprises Ltd.                      | 1                     | 1   | 2                     | 2   | -                     | -   |
| 8.                          | Atturu and Jawahar Bank Ltd.                 | 1                     | 1   | 2                     | 2   | -                     | -   |

Source: Dr.N.Tingalaya : The Banking Saga: History of South Canara Banks 1999.

The Kundapur Bank which had three branches in 1939 was liquidated on 4<sup>th</sup> August 1940. Similarly, the Tulunadu Bank of supply and agencies had opened a branch at Udupi in 1939 was liquidated in November 1940. The Jaya Karnataka Banking and Trading Co., had opened a branch at Mangalore on 30<sup>th</sup> July 1940 and closed its Kalyanapura branch by the end of 1940 and Mangalore branch was converted into Head Office. By 1953, the Pangal Nayak Bank had in all eight branches and of them six were within the district. The Prabhakar Bank of Mudbidri had closed all the three branches working in the district by 1952 and had shifted its H.Q. to Bombay. Before its liquidation in 1953, it had two branches in Bombay. No efforts were made to open branches by the banks of the Mulki and the Pie money Bank of Mangalore.

By the end of 1946, there were 19 Banking Companies operating the district with 270 branches, and of them 101 were situated within the district. There were 23 Bank Centres in the district. The district head quarters Mangalore had highest number of branches followed by Udupi the then taluk head quarters. The progress of Banking in Dakshina Kannada district during 1939 and 1953 is as follows.

**Table 6.6 : Progress of Banking in Dakshina Kannada**

Amount in Lakhs

| Banks                                | 1939     |          | 1953     |          |
|--------------------------------------|----------|----------|----------|----------|
|                                      | Deposits | Advances | Deposits | Advances |
| <b>MAJOR BANKS</b>                   |          |          |          |          |
| Canara Bank Ltd.                     | 81.22    | 51.28    | 791.64   | 414.53   |
| Syndicate Bank Ltd.                  | 24.49    | 24.14    | 471.51   | 308.17   |
| Corporation Bank Ltd.                | 21.22    | 19.18    | 297.28   | 151.53   |
| Vijaya Bank Ltd.                     | 2.50     | 2.47     | 47.43    | 34.02    |
| Karnataka Bank Ltd.                  | 15.34    | 14.98    | 66.69    | 38.84    |
| <b>OTHER BANKS</b>                   |          |          |          |          |
| Catholic Bank Ltd.                   | 12.01    | 10.37    | 64.44    | 39.20    |
| Jayalakshmi Bank Ltd.                | 10.51    | 11.20    | 40.24    | 34.94    |
| Pangal Nayak Bank Ltd.               | 3.50     | 6.09     | 17.76    | 12.35    |
| Agriculture and Industrial Bank Ltd. | 4.38     | 2.98     | 12.35    | 18.38    |



| Banks                                      | 1939     |          | 1953     |          |
|--|----------|----------|----------|----------|
|  | Deposits | Advances | Deposits | Advances |
| Nagarkar's Bank Ltd.                       | 4.70     | 3.92     | 13.62    | 10.67    |
| Bank of Mangalore Ltd.                     | 1.64     | 1.94     | 9.96     | 6.83     |
| Udupi Bank Ltd.                            | 0.21     | 0.52     | 0.18     | 1.13     |
| Mulki Bank Ltd.                            | 0.29     | 0.36     | 1.50     | 1.11     |
| Atturu and Jawahar Bank                    | 0.26     | 0.58     | -        | -        |
| Jayakarnataka Banking and Trading Co. Ltd. | 0.12     | 0.22     | -        | -        |
| Pie Money Bank Ltd.                        | -        | 0.62     | 3.20     | 2.72     |
| Tulunadu Bank and Supply Agency Ltd.       | 0.13     | -        | -        | -        |

**Table 6.7 : Progress of the Short Lived Banks of the District**

(Amount in Lakhs)

| Name of the Banking Co.               | Year of the beginning |          | Year of closing |          |
|---------------------------------------|-----------------------|----------|-----------------|----------|
|                                       | Deposits              | Advances | Deposits        | Advances |
| <b>Southern Indian Apex Bank Ltd.</b> | 4.84                  | 2.91     | 14.59           | 1.33     |
| <b>Maharashtra Apex Bank Ltd.</b>     | 24.48                 | 3.40     | 18.87           | 5.82     |
| <b>Prabhakar Bank Ltd.</b>            | 7.49                  | 4.64     | 6.58            | 7.22     |

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

Some of the banks from outside the district made banking ventures by opening their branches in the district head quarters since the beginning of 1920's. The Nedungadi Bank of Calicut (Kallikote) and Radha Bank entered the district in 1920 and 1934 respectively. The Palai Central Bank (bankrupted in 1960) entered in 1936, and Travancore National Bank (renamed as Travancore National and Quilan Bank) in 1937, and liquidated in 1938) had a branch here in 1934. The Madras based Indo Karnatik Bank (liquidated in 1939 as per Court Order) in 1936, and other Madras based banks like Bank of Hindustan Ltd., Indian Bank Ltd., and Indian Over Seas Banks entered the banking map of the district in 1939, 1945 and 1948 respectively by opening their branches in Mangalore. The Bombay based Central Bank of India had opened an

Agency unit in 1935 at Mangalore was later converted into full fledged branch in 1946. Later the Bank of Mysore (State Bank of Mysore) had opened its branch in 1957. DENA Bank (Devakaran Nanaji Bank) in 1959, Bank of Baroda in 1962; South Indian Bank of Trichur in 1966, and Union Bank of India in 1967 have also opened their branches in Mangalore City.

The Bombay based Shama Rao Vittal Co-operative Bank had opened its branch at Mangalore in 1940, was however closed in 1950. It again reopened its branch in 1990 when it became the Scheduled Co-operative Bank. The remaining prominent Banking Companies entered the arena of Banking business in the district only after 1969.

### **Post Independent Developments**

The era of post independence has brought several significant basic changes in the banking sector. The Banking Companies Regulation Act of 1949, has imposed several restrictions and regulatory measures were helpful in building the strong edifice for the banking sector in order to strengthen the public confidence in the banking industry of the country on strong footings.

The Reserve Bank of India was empowered to supervise, control and regulate the modus operandi of banking business. Expansion of branches required the permission of the Reserve Bank of India. The enforcement of minimum capital requirement Act in March 1952 by the Reserve Bank of India compelled the Banking Companies to build up adequate capital and reserve base otherwise they were to be converted as N.B.F.I. (Non Banking Financial Institutions).

In order to strengthen the economically weaker and non viable smaller banks RBI took another bold step to strengthen the banking industry by allowing compulsory merger procedure of smaller banks with the strong and big ones and the introduction of the scheme of Debt Moratoriums on Certain Banks. The effective implementation of these measures enabled the banking industry to have a strong economic foundation. The five major banks of the district took the advantage of this scheme of merger and as a result of this many smaller banks from outside the district and also from within the district merged with major banks, and thereby, enabled to have expansion of branches and increase in the volume of business.

Before the compulsory implementation of the RBI's merger policy in the Dakshina Kannada district, the Radha Bank of Calicut had merged

with Jayalakshmi Bank of the district in 1941 and in 1953, Southern India Apex Bank and Maharashtra Apex Bank had merged with the Syndicate Bank. The other banks merged with Syndicate Bank were Bank of Mangalore and Nagarakars' Bank of Mangalore in 1959, and the Bank of Mulki, Pie Money Bank of Mangalore, Catholic Bank of Mangalore all in 1961. Similarly, the Jayalakshmi Bank of Mangalore merged with the Vijaya Bank in 1967 and Pangal Nayak Bank of Udupi merged with Canara Bank in 1968.

There was a large scale merger of banks originated from outside the district to the banks of this district. There were as many as nine banks from outside the district merged with Canara Bank : Trivendrum Permanent Fund Ltd., (1899), Bank of Kerala (1944), Pollachi Union Bank, Pollachi (1921), Sri Poornathrayasa Vilasam Bank (1923), Sesia Midland Bank of Allepey (1930), Cochin Commercial Bank of Kochi (1936). Arnad Bank of Tiruchanapalli (1942), Pandyan Bank of Madurai (1946) and G. Raghunath Mull bank of Hyderabad (1940). Banks from outside merged with Syndicate Bank were Sri Ranga Raja Bank of Mettupalya (1921), People's Bank of Thirthahalli (1925), Hindu Bank of Karur (1925), Kannika Parameshwari Bank of Coimbatore (1927), Citizens' Bank of Robertsonpet (1928), Oriental Union Bank of Koduturuti (1929), Kotagiri Bank of Kotagiri (1929), Kothamangalam Nambudri Bank of Quiland (1929), South Travancore Bank of Neyyur (1929), Ammapet Sengander Bank of Salem (1932), Kerala Service Bank of Trivandrum (1933), Pollachi Town Bank of Pollachi (1937), Asiatic Mercantile Bank of Cochin (1946).

In respect of the Vijaya Bank, the banks merged from outside were Jalapuram Bank of Calicut (1906), Subrhamanya Vilas Upakar Bank of Koonoor (1911), Tellicheri Bank Ltd., of Tellicheri (1914), Taliparamba Bank of Taliparamba (1923), Devanga Bank of Bangalore (1926), City Bank of Hubli (1930), The Vysya Mercantile Bank of Ramanagaram (1930), and Dakshina Bharath Bank of Ernakulam (1946), The Citizen's Bank of Belgaum (1937) merged with Corporation Bank, the Chitradurga Savings Bank (1870), Sri Sharada Bank of Sringeri (1914), and Bank of Karnataka of Hubli (1946) merged with Karnataka Bank.

The economic developmental plans launched in 1951 and the successive plans during the post independence period, implementation of national extension programmes, changes adopted in the industrial policy, increased commercial activities, rapid Urbanization, Development of Markets etc., have accelerated demand for the banking services in the Urban and Semi Urban areas, which has resulted in increasing the

number of branches. Number of branch Banks in Dakshina Kannada district for some years after the reorganization of the State.

**Table 6.8: No. of Banks in Dakshina Kannada District**

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

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

In course of time, the commercial bank in the district marched progressively by adopting several progressive changes in their *Modus operandi* and administrative strategy keeping in view of the prospective growing importance of Bangalore City which had emerged as the capital of newly formed state. Keeping in view of the importance of Bangalore, Canara Bank transferred its Head Office from Mangalore to Bangalore in 1956. The Canara Banking Corporation (Corporation Bank in 1972) also shifted its Head Office from Udupi to Mangalore in 1961. The Syndicate Bank of Udupi shifted its Head quarters to the nearby Manipal in 1964 and the Vijaya Bank's Head Office moved from Mangalore to Bangalore in 1969. Whereas Karnataka Bank remained in Mangalore itself. The progress of Banking industry in the district for some years during the decade of 1960's is given below

**Table 6.9: Progress of Banking Industry in the District**

| Major Banks                    | Year        |             |             |             |             |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
|                                | 1962        | 1964        | 1966        | 1968        | 1970        |
| Canara Bank Ltd.               | 10          | 10          | 10          | 26          |             |
| <b>No. of Branches</b>         | <b>100</b>  | <b>101</b>  | <b>107</b>  | <b>123</b>  | <b>189</b>  |
| <b>Deposits (Rs. in Lakhs)</b> | <b>1435</b> | <b>1980</b> | <b>2995</b> | <b>3680</b> | <b>4685</b> |
| <b>Advances (Rs. in Lakhs)</b> | <b>760</b>  | <b>1055</b> | <b>1589</b> | <b>1804</b> | <b>2703</b> |

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

### **Nationalization of Banks**

In view of the inadequate attention shown by the banking industry towards different economic sectors for the development of the country, the Government of India imposed Social Control over the Banking Sector in 1968. The committee just then formulated policies of bank advances at National level made it clear and insisted for the need of identifying those priority sectors which needed a higher ratio of financial assistance. Accordingly on 19<sup>th</sup> July 1969, 14 major Commercial Banks of India were Nationalised by an ordinance, which later became Banking Companies (Acquisition and Transfer of under taking) Act of 1970. After the implementation of the social control over Banks, more and more banking activities and their *modus operandis* etc., came under the purview of control, regulations and discipline of both the RBI and the Government of India. Private Sector banks were also compelled to follow these regulations adopting suitable changes in their working. RBI also imposed the strict regulatory measures and uniformities to be adopted in interest rates, rules and regulations etc.

The government policy of Nationalisation of 14 major commercial banks in the country, for the first time created a new chapter in the annals of banking history. It was the bold and strong step of the government in bringing the private financial institutions and agencies under the control of the government and to regulate them to work in harmony with the government policies and programmes to support the National Economic development plans in order to extend social justice to the people hither to neglected and to finance these priority sectors adequately, enabling them to join the main stream of the society. The Nationalisation helped the government to bring the unorganized sector under the sphere of banking services and it facilitated to bring socio-economic transformation at the grass root level. The Government also introduced such policies and programmes of lending and it was a mandatory on Nationalised Banks to implement certain target oriented lending schemes. There are examples also, where in this liberal lending policy of banks was often misused. This changed new concept of banking made the banking services as 'mass banking' compared to the earlier concept of 'class banking'.

Out of the 14 Banks Nationalised in the country, two had originated from Dakshina Kannada district i.e., Canara and Syndicate. In the year of Nationalisation (1969), these two banks had 368 and 355 branches respectively in the county. Their deposits were amounted to

Rs.185 and Rs.145 crores respectively, while the advances were reckoned at Rs.125 and Rs.105 crores respectively. The other three banks of the district were to be continued in the private sector. In 1969, out of 368 branches of Canara Bank in the country, 107 were working in Karnataka and 26 in the native district itself.

In respect of Syndicate Bank, out of 355 its branches working in the country, 219 were in the native state and 72 in the native district. The medium size banks of the district namely Vijaya Bank, Corporation Bank and Karnataka Banks had 114, 78.75 branches respectively in the country, and their number in Karnataka was 79, 49 and 74 respectively, and their respective number of branches in the native district was 31, 8 and 12. The volume of deposits mobilized by these three banks in 1969 amounted to Rs.18.71 crores, 21.34, and 12.54 respectively, while the advances made by these banks in 1969 accounted to Rs.13.01, Rs.14.41 and Rs.8.90 crores respectively. In the same year (1969) all those 15 banks with their 165 branches together had mobilized deposits worth Rs.40.11 crores while they had loaned worth Rs.23.50 crores in the district.

During the years followed by the Nationalisation, vast changes were evident in the programmes and policies of banking sector. More emphasis was given for the geographical coverage of branches in rural areas. Lead Bank scheme of lending was introduced. Accordingly, Syndicate Bank was entrusted the responsibility of being a lead bank for the district. More number of banks came from outside the district opened their branches in the district. The second Nationalization took place in 1980, wherein Vijaya Bank and Corporation Banks from the district joined the list of additional six banks then nationalized in the country. Karnataka Bank, being a small bank in size, continued in private sector, but during the last 35 years (1969-2005) it has made remarkable progress in its banking business and continues as one of the leading private sector banks in the state. In 1984, Syndicate Bank promoted the Nethravati Grameena Bank (R.R.B.) the activities of which are confined to rural segments of the district. All branches of banks working in the district have attained speedy growth, so also their deposits and advances.

The decade of 1990's witnessed a new dimension in the growth of banking industry in the district. Much importance was given towards the qualitative development in the industry than to the quantitative aspects. A few branches were opened. Recently, private sector banks of new

**Table 6.10 Progress of Nationalised Banks in Dakshina Kannada district during the decades after the Nationalisation**

| Important Particular                            | End of December |      |      |      |       |       |       |       | End of March |       |       |        |        |        |        |        |
|---|-----------------|------|------|------|-------|-------|-------|-------|--------------|-------|-------|--------|--------|--------|--------|--------|
|   | 1969            | 1971 | 1973 | 1975 | 1977  | 1979  | 1981  | 1983  | 1985         | 1987  | 1989  | 1991   | 1993   | 1995   | 1997   | 1998   |
| No. of Banks                                    | 15              | 15   | 16   | 18   | 21    | 25    | 25    | 27    | 29           | 29    | 30    | 30     | 32     | 32     | 34     | 35     |
| No. Branches                                    | 165             | 204  | 241  | 285  | 350   | 367   | 379   | 409   | 455          | 449   | 454   | 457    | 468    | 472    | 486    | 490    |
| a) Rural  | 100             | 126  | 155  | 177  | 227   | 231   | 240   | 258   | 279          | 267   | 268   | 260    | 269    | 262    | 263    | 263    |
| b) Semi Urban                                   | 35              | 36   | 36   | 51   | 55    | 56    | 56    | 60    | 64           | 80    | 80    | 90     | 91     | 92     | 98     | 99     |
| c) City / Port                                  | 30              | 42   | 50   | 57   | 68    | 80    | 83    | 87    | 92           | 102   | 106   | 107    | 108    | 118    | 125    | 128    |
| Deposits (Rs. in lakhs)                         | 4011            | 5460 | 7065 | 9748 | 13888 | 20625 | 30592 | 42094 | 58160        | 77143 | 90690 | 117686 | 167106 | 234053 | 322779 | 384094 |
| Advances (Rs. in lakhs)                         | 2340            | 2822 | 4306 | 6229 | 8924  | 11226 | 18007 | 23456 | 36262        | 51899 | 61590 | 71196  | 78978  | 95897  | 120575 | 135976 |
| C.D. Ratio                                      | 58              | 52   | 61   | 64   | 64    | 59    | 59    | 56    | 62           | 67    | 68    | 61     | 47     | 41     | 37     | 35     |
| P.S. Advances                                   | -               | -    | -    | 3423 | 5444  | 7168  | 9906  | 13819 | 21241        | 30489 | 33373 | 34507  | 36547  | 40983  | 67181  | 70007  |
| % of PS total Adv.                              | -               | -    | -    | 55   | 61    | 59    | 55    | 60    | 59           | 59    | 54    | 48     | 46     | 43     | 56     | 56     |
| Per branch dep. (Rs. in lakhs)                  | 24              | 27   | 29   | 34   | 48    | 56    | 81    | 104   | 134          | 172   | 200   | 257    | 357    | 496    | 664    | 784    |
| Per branch Adv. (Rs. in lakhs)                  | 14              | 14   | 18   | 22   | 26    | 33    | 48    | 58    | 83           | 116   | 136   | 156    | 169    | 203    | 248    | 278    |
| Population served per Br.                       | 11              | 10   | 8    | 8    | 6     | 6     | 6     | 6     | 5            | 5     | 5     | 5      | 5      | 5      | 5      | 5      |
| Percapita deposits in Rs.                       | 217             | 282  | 349  | 448  | 636   | 908   | 1289  | 1774  | 2450         | 3247  | 3817  | 4951   | 5893   | 9002   | 11580  | 12560  |
| Per capita adv.in Rs.                           | 127             | 146  | 213  | 286  | 409   | 538   | 759   | 988   | 1528         | 2184  | 2592  | 2996   | 2748   | 3688   | 4360   | 5047   |
| Adv. Under DIR (Rs. in lakhs) (Dir. int. rates) | -               | -    | -    | -    | -     | 160   | 214   | 406   | 1242         | 2180  | 1898  | 1535   | 1269   | 534    | 349    | 313    |

Source : Syndicate Bank Lead District Office, Mangalore.

generation like ICICI, Centurian, UTI, Global Trust Bank (Merged with Oriental Bank of Commerce), HDFC, IDBI, Jammu and Kashmir Banks, have opened each their branches in Mangalore City. Out of 100 prominent banking centres in India, the ranking of Mangalore City is 31 (2005), there are 152 branches in Mangalore. A foreign Bank into A.B.N. Amro Bank has opened its branch at Mangalore. The district was bifurcated i.e., Dakshina Kannada and Udupi in 1997. The table given below indicates the progress of banking in Dakshina Kannada district during recent years.

**Table 6.11: Progress of Commercial Banks in the District since 1997.**

| Sl. No. | Important Particulars                                       | As on March |        |        |        |        |        |        |
|---------|---|-------------|--------|--------|--------|--------|--------|--------|
|         |   | 1999        | 2000   | 2001   | 2002   | 2003   | 2004   | 2005   |
| 1.      | <b>No. of Banks</b>   | 35          | 35     | 35     | 35     | 35     | 38     | 45     |
| 2.      | <b>No. of Branches</b>                                      | 322         | 333    | 338    | 332    | 332    | 339    | 350    |
|         | a) Rural  | 132         | 137    | 134    | 137    | 137    | 132    | 132    |
|         | b) Semi-Urban   | 45          | 49     | 50     | 49     | 49     | 63     | 67     |
|         | c) Urban / Port towns                                       | 145         | 147    | 149    | 146    | 146    | 144    | 151    |
| 3.      | <b>Deposits</b><br>(in Lakhs of Rs.)                        | 291675      | 359637 | 402621 | 465039 | 523534 | 584394 | 681573 |
| 4.      | <b>Advances - do -</b>                                      | 130456      | 162683 | 186814 | 212845 | 244066 | 280285 | 360701 |
| 5.      | <b>C.D. Ratio %</b>   | 45          | 45     | 46     | 46     | 47     | 48     | 53     |
| 6.      | <b>Priority Sector Advances</b><br>(Rs. In lakhs)           | 56530       | 75548  | 92727  | 93226  | 124784 | 154714 | 187587 |
| 7.      | <b>Percentage of PS Advance to Total Loans</b>              | 43          | 46     | 50     | 44     | 51     | 55     | 52     |
| 8.      | <b>Deposits per branch</b><br>(Rs. In lakhs)                | 906         | 1080   | 1198   | 1401   | 1577   | 1724   | 1947   |
| 9.      | <b>Advances per branch average</b> (in lakhs of Rs.)        | 405         | 489    | 556    | 641    | 735    | 821    | 1030   |
| 10.     | <b>Poperationulation served per Br in 1000</b>              | 5           | 5      | 5      | 5      | 5      | 5      | 5      |
| 11.     | <b>Percapita deposit in Rupees</b>                          | 18000       | 22000  | 23966  | 28020  | 31611  | 35285  | 35915  |
| 12.     | <b>Percapita Advances - do -</b>                            | 8120        | 10000  | 11120  | 12820  | 14381  | 16923  | 19006  |
| 13.     | <b>Loan under DIR</b> (diferencial interest rates in Lakhs) | 55          | 46     | 29     | 42     | 50     | 12     | 38     |

Source : Syndicate Bank, Lead district office, Mangalore.



### Nethravathi Grameen Bank, Mangalore

In accordance with the provisions of 1976 Regional Rural Banks Act, these banks were organized all over the country with the financial participation by the Central Government, State Government and promoter bank in the ratio of 50:35:15 with an area of operation covering one or two districts in order to suit the rural environments and to facilitate the rural development because the commercial banks could not shoulder all the responsibilities in extending rural credit, promotion of rural employment and rural industries etc. These bank are expected to meet all banking requirements of the rural community locally without any delay etc., The main objectives of these banks are to overcome the economic problems of rural population and to provide necessary financial help for their economic development.

The lead bank for the district i.e., Syndicate Bank sponsored the Nethravathi Grameena Bank and opened its office in Mangalore on 11<sup>th</sup> October 1984 covering the undivided Dakshina Kannada district. It is reported that in order to promote economic welfare of the rural population in general, small and marginal farmer, agricultural labourers in particular, the bank is doing good service. The basic objectives of the bank being to ensure integrated rural development by providing necessary help to increase agricultural production, creation of new employment opportunities etc. At present, the bank has 22 branches covering two districts. In 2005 October the name of the bank was changed as Karnataka Vikas Grameena Bank. The table given below indicates the progress of the Grameena Bank.

**Table 6.12: Progress of Grameena Banks in the District.**

| Sl. No. | Important Particulars                   | As on March |           |          |          |           |           |
|---------|---|-------------|-----------|----------|----------|-----------|-----------|
|         |   | 1995        | 1997      | 1999     | 2001     | 2003      | 2004      |
| 1.      | <b>No. of Branches of Grameena Bank</b> | 22          | 22        | 22       | 22       | 22        | 22        |
| 2.      | <b>Deposits</b><br>(in Lakh of Rs.)     | 810.11      | 1409.14   | 2544.56  | 4181.17  | 5529.11   | 6386.80   |
| 3.      | <b>Advances</b><br>(in Lakhs of Rs.)    | 581.19      | 1124.67   | 2198.92  | 3705.94  | 4654.79   | 5447.72   |
| 4.      | <b>Profit or loss</b><br>in lakh of Rs. | (-) 56.45   | (-) 23.94 | (+)23.24 | (+)83.27 | (+)113.54 | (+)158.67 |
| 5.      | <b>Staff Strength</b>                   | 94          | 94        | 94       | 94       | 93        | 97        |

Source : Nethravathi Grameena Bank, Mangalore.

### CO-OPERATION MOVEMENT

In our social life the instinct of Co-operative character has been imbedded indepth since the dawn of human civilization. The Co-operative as an organized economic activities is of recent origin. It has become a means in order to bridge the socio economic gaps caused in the society especially for those who are not organized and who need encouragement for their upcoming etc. Mutual help of one for all and all for one are the main principle of the philosophy of Co-operation. Co-operative movement made its beginning in the district in 1909 as per the provisions of Co-operative Societies Act of 1904. The movement has established a good tradition of Co-operative activities in the district.

Though the movement made its beginning limited to the organization of agricultural credit societies only in the initial years, later by an amendment of 1912 Act, made the way for opening of non-agricultural and non-credit societies and thereby orbit of the movement was enlarged. Further, the commencement of district level apex financial institutions helped for the growth of the movement. From the beginning Co-operatives in the district have been helping for the economic growth of the district especially through agricultural credit and supporting activities.

Dakshina Kannada is one of the districts in the state where Co-operative movement is much a head and has made a deep impact and influence on the economy of the district. The first agricultural credit society in the district was opened at Puttur in 1909, under the leadership of Late M. Shivaraya under the Indian Co-operative Societies Act of 1904, and Shivaraya is considered as the father of the Co-operative movement in the district. He played a pivotal role in leading the movement for many decades. Till 1912, before the establishment of multi-purpose Co-operatives, the movement had a slow progress in the district. By the end of 1912-13, the district had 15 Primary Agricultural Co-operative Societies., one Urban Credit Society, and a Grain Bank only. The Act of 1912, enabled for the establishment of new Co-operative societies in the district.

The work of financing those Co-operatives working in the district was first entrusted to Puttur Rural Credit Society. Later in November 30<sup>th</sup> 1913, a separate Central Co-operative Bank for the district was opened to serve as an Apex Financing Agency to meet the financial requirements of Co-operative institutions working in the district. The DCC Bank for Dakshina Kannada district bega to function at Puttur from

Jan. 24<sup>th</sup> 1914. Subsequently, its head office was shifted to Mangalore in 1927. From the beginning itself the bank has recorded a good progress.

In 1919 local Co-operative Unions were organized at several places in the district and later in 1923 at the district level the supervisory body for unions, was formed in order to regulate and to co-ordinate the activities of unions, and to educate the people about importance of Co-operative movement etc. Since the District Union could not do its mission properly it was abolished in 1931 and its functions were entrusted to the Board of Management of the DCC Bank and the funds collected from the Co-operative institutions i.e., "Supervision Fund" was transferred to DCC Bank, and that fund was utilized to pay the remunerations to the Supervisors of the Unions.

In 1923 the labour department of the Madras Government took up the execution of public works in the district and thereby immediately organized the Co-operatives for the labourers of the weaker section and backward communities. By the end of 1926-27 there were 80 such labour societies in the district with a total membership of 1806 and an paid up share capital of Rs.7605. by 1934-35, the number of these societies had increased to 93 and of them 14 were meant for fishermen only working under the control of the Department of Fisheries, and the remaining 79 societies to Adidravida either to under the control of Labour Department was entrusted the Department of Co-operative. By 1923-24 house building Co-operatives came into being in the district in order to help the flood victims who had lost their house and properties during the flood. In 1932-33 at Kottechheri (now in Kasargod district) credit and marketing society was opened which used to extend the produce mortgage loan to the members. The District Central Co-operative Bank (DCC) used to finance all other primitive Co-operatives in the district.

The Co-operative movement started in 1909 gained its momentum in the decades to come and was mainly responsible for the upcoming of many Co-operatives in the district. The existing agricultural credit societies followed the policy of granting higher amount of loans to farmers stage by stage, enough to repay old loans borrowed from money lenders on higher rate of interest and also to carry on annual agricultural operations. The establishment of non agricultural credit societies was helpful for merchants, traders and others to secure loans at a cheaper rate of interest so as to promote and develop their business activities. The people who used to avail loans earlier at 15 to 20% interest now were

able to secure loans from the Co-operatives at 6.5 to 9 percent interest. As a result many borrowers were freed from the clutches of the private money lenders and the volume of business transactions of money lenders also reduced to a considerable extent. The Townsend Committee of 1927 appointed by the erstwhile Madras Government to review the progress of Co-operative movement in the state and to formulate the guidelines for its future progress, recommended the need for enactment of separate legislations and rules there on for Co-operative organizations. Accordingly in 1932, Madras Co-operative Societies Act and in 1934 Madras Land Mortgage Banks Act were enforced. In 1939 a committee headed by Vijaya Raghavachari submitted an important report regarding various steps to be taken to improve the working system (modus operandi) of Co-operative s in the State. The movement heralded in 1909 gained the confidence and faith of the general public by attaining a systematic progress. The opening of the District Central Co-operative Bank in 1913 helped the movement to attain a stage of rapid development. The Co-operative workers in groups by touring all over the district took an active campaign to spread the message of importance of Co-operative organizations and this was also supported by some local press often by publishing the articles on importance of Co-operative movement.

Due to the continuous and untiring support of the Co-operatives of the district by 1920, the number of Co-operatives in the district which was 227, further increased to 418 by 1927. Gradually, the encouragement was given for the establishment of Non-Credit Co-operative Societies. The Printers Co-operative society founded in Mangalore is said to be one such earliest (non-credit) Co-operative organizations in India. However, its life span was very short. The Government in one of its report had even appreciated the efforts put forth by the Co-operatives of the district, in promoting the Co-operative movement and for its commendable achievements since its inception. The Royal Commission on Agriculture while highlighting the importance of the movement had appreciated the movement of the district by recording. "In Dharwad district of Bombay Province and Jalandhar of Punjab, the percentage of people covered by the Co-operative movement was 25% while in Dakshina Kannada 20% of the population was covered under the movement". Though the movement received a set back during the world economic crisis of 1927-1934, it forged a head in the path of progress. The DCC Bank went on increasing its membership gradually, and the

number of membership which was 313 in 1939 increased to 437 in 1944 and further to 480 by 1949.

During the second world war the Madras Government imposed Food Control Order, and accordingly, the compulsory procurement of levy rice and paddy, and the distribution of food grains under the rationing system was entrusted to the Primary Credit Co-operative Societies and the District Co-operative Central Stores.

During the beginning year (1950-51) of the first five years plan, in Dakshina Kannada district (including Kasargod taluk) including 51 Adidravida Co-operations, there were 349 PACS (Primary Agricultural Co-operative Societies) and the movement had covered 520 villages. By the close of first five years plan, the number of PACS increased to 448 and the villages covered increased to 561. During the above period the number of membership of Co-operative had increased from 29,305 to 45,738 respectively and share capital from Rs.3,50,718 to Rs.7,55,000. By the end of the second five years plan all villages in the district (except five villages) had come under sphere of the movement and 58,620 households of those villages were covered. If the coverage of non-agricultural households had also taken into account, the number was 65,130. The share capital held and loans and advances made by the Co-operative of the district were reckoned at Rs.2,00,99,198 and Rs.1,08,714.87 respectively. It was planned to organize large sized credit (LSC) societies in the district from April 1 1959. The earlier existed 29 such societies were also continued. Some of the weak Co-operatives were recognized and about 175 Seva Sahakar Societies were organized (SSC). During the same period six Taluk Agricultural Produce Co-operative Marketing Societies (TAPCMS) were organized for the supply of agricultural implements, seeds, manures, chemicals etc., and were also lending crop loans. They also undertook the work of pooling the agricultural produces and marketing. The Government had granted financial assistance to these T.A.P.C.M.S. and also for the rehabilitation of some of the weaker large sized Co.operations. Grants were also made for the construction of Rural Godowns. Accordingly, five medium sized and two rural godowns were constructed in the district.

The movement started in 1909, developed systematically and won the appreciation of the public before independence and also continued to play important role even after independence with the same swiftness till 1959 reorganization. After the reorganization of the state in 1959, a unified and more comprehensive Act applicable to the entire state i.e., Karnataka Co-operative Societies Act of 1959 was brought into force from

1960, incorporating some significant changes in the Co-operative sectors in the state. Till the enactment of 1959 Act, the financial help to the Co-operatives from the government was not available and was much limited. The entire district administration of the department was looked after by one Deputy Registrar of Co-operative Societies. After the formation of the new state much encouragement was given for the development of movement in the state, as it was the policy of the Central Government to encourage the movement. Many important industrial ventures in co-operative sector was started in the district. Co-operative Sugar Factory for the benefit of farmers; CAMPCO for the promotion of marketing and processing of horticulture crops like Areca, Coco etc., were started. CAMPCO has emerged as one of the leading Co-operative venture and has opened a Chocolate Factory.

By the end of June 1966, the membership strength of all PACS together was 70,340 with a share capital of Rs.38,41,584 and advances made was to the tune of Rs.1,48,52,903. For the storage of agricultural produces, about 63 godowns were constructed and every taluk had a Land Development Banks, and those working in Putturu, Buntwala, Sulya and Karkala were specially suggested to finance, to facilitate the development of areca-gardens under the special accelerated programme. Under the Central Government programme, the organizations of Co-operative stores was under taken and the Dakshina Kannada District Central Co-operative Stores began to function as Central Co-operative Wholesale Stores for the supply of essential goods to Co-operative societies. The T.A.P.C.M.S. units working at the taluk level began to supply the essential goods to primary societies at the wholesale rates. The service co-operative societies were engaged in the supply of consumer goods as retail outlets.

The Co-operative Apex Bank at the state level, the DCC Bank at the district level and rural societies at grass root level were made to function as agencies for distribution of medium term loans to obtain irrigation pumpsets for farmers. By June 1968 under the rural electrification programme for the purchase of 1418 pump sets, a loan of Rs.24,50,366 was sanctioned to 193 co-operatives in the district, as per the plan made by the State Power Corporation for the purpose. Under the scheme of "Irrigation Wells", launched by the Agriculture Re-finance Corporation, long term loans was granted by the Corporation to the State Land Development Bank for the implementation of the scheme.

During the Fourth Five years plan period, in order to extend more help to farmers many incentive schemes were started. Accordingly,

financial assistance was extended by the Government to the co-operatives at different levels in the form of subsidy, grant in aid, share capital contribution, loans etc., The offices of the (ARCS) Assistant Registrar of Co-operative Societies were opened at Mangalore and Puttur.

By 1972 the district had 923 Co-operatives (including the 58 under liquidation) and out of them 631 were in Mangalore division and 292 in Puttur division. The district had 35 fisheries co-operatives including Co-operative Fish Marketing Federation under the control of the Deputy Director of fisheries. By the end of 1970-71 the number of families brought under the purview of Co-operative was 1,16,780 and the share capital mobilized by the Co-operatives in the district was Rs.75,56,000 and of that the share held by the Government accounted to Rs.11,89,200. Dairy activities in Co-operative field was started in 1971 in the district by establishing Milk Processing Unit at Mangalore with a capacity of 10,000 ltrs, later in 1974, at Manipal, Canara Milk Union was founded.

During the Fifth Five years plan period, special steps were taken to strengthen P.A.C.S. so as to make them economically viable units. Under the scheme the weaker credit societies were made to merge with stronger Co-operatives and were reorganised, as a result of this the number of P.A.C.S. in the district was reduced. By 1970-71, there were in total 860 Co-operatives in the district including those under liquidation, of these 860 Co-operatives 345 were Agricultural Credit Societies and the rest 515 were of all other type of societies. The total number of membership of active societies was 3.07 lakhs. By 1974-75, the district had 1071 Co-operatives and of them 310 were PACS and 761 were other Co-operatives and the total membership of active societies had increased to 3.85 lakhs, further by 1978-79, the number of societies decreased to 941 the break-up being 164. PACS and 777 other co-operatives and total membership had increased to 5.16 lakhs. In 1977 the first Lady's Fishery Co-operative Society was established at Malpe. By the active support extended by the Government the dairy activities, during 1980s and onwards, more and more milk producer co-operatives were established. In 1986, Dakshina Kannada District Milk Producer's Union was established and the earlier existed Canara Milk Union at Manipal was merged with this Union and the District Milk Federation Union of Udupi and Dakshina Kannada district came under the purview of Mangalore Milk Federation.

By June 1985, there were 1073 Co-operatives (P.A.C.S.) in the district with a membership of 6.24 lakhs and of them 167 were active

P.A.C.S. with a membership strength of 2.67 lakhs. The total loans granted by these PACS to members accounted to Rs.2502.63 lakhs as short term, and Rs.302.18 lakhs as medium term loans. By 1991-92, the district had 897 societies (including 101 under liquidation) [excluding milk supply societies]. Out of 631 active co-operatives 165 were P.A.C.S. with membership strength of 3.51 lakhs and the agricultural short, medium and long term credits advanced by these Co-operatives accounted to Rs.4323 lakhs, Rs.395 lakhs and Rs.176 lakhs respectively. In 1991-92, the district had 223 milk societies with 39,765 members. In 1997 Dakshina Kannada district was divided into two separate districts. The details of Co-operatives coming under the jurisdiction of Dakshina Kannada district is appended in the table given below.

**Table 6.13: Details of Co-operatives in the District**

| Sl. No. | Important Categories of Co-operatives                    | As on March |         |         |         |
|---------|--|-------------|---------|---------|---------|
|         |  | 1995-96     | 2000-01 | 2002-03 | 2003-04 |
| 1.      | <b>Primary Agriculture Credit Co-operative Societies</b> | 104         | 111     | 111     | 112     |
| 2.      | <b>Agriculture and Rural Development Banks</b>           | 5           | 5       | 5       | 5       |
| 3.      | <b>Urban Co-operative Banks</b>                          | 8           | 8       | 8       | 8       |
| 4.      | <b>Employees and other Credit Co-operative Societies</b> | 49          | 58      | 59      | 61      |
| 5.      | <b>Marketing Co-operatives (TAPCMS)</b>                  | 5           | 5       | 5       | 5       |
| 6.      | <b>Special Commodity Marketing Societies</b>             | 3           | 3       | 3       | 3       |
| 7.      | <b>Processing Co-operatives</b>                          | 3           | 3       | 3       | 3       |
| 8.      | <b>Farming Co-operatives</b>                             | 3           | 3       | 3       | 2       |
| 9.      | <b>Milk producers Co-operatives</b>                      | 136         | 186     | 203     | 213     |
| 10.     | <b>Consumers Co-operatives</b>                           | 35          | 27      | 23      | 22      |
| 11.     | <b>House building Co-operatives</b>                      | 32          | 36      | 36      | 36      |
| 12.     | <b>Industrial Co-operatives</b>                          | 60          | 61      | 61      | 61      |
| 13.     | <b>Irrigation Societies</b>                              | 2           | 3       | 3       | 3       |
| 14.     | <b>Weavers Co-operatives</b>                             | 5           | 5       | 5       | 5       |
| 15.     | <b>Other Co-operatives</b>                               | 112         | 123     | 147     | 130     |
|         | <b>Total Co-operatives of the District</b>               | 562         | 637     | 675     | 669     |

Source : District Co-operative Department.



**Dakshina Kannada District Central Co-operative Bank**

Indian Co-operative societies Act of 1912, had made provision for the establishment of several agricultural credit societies in the district and the work of financing these primary Co-operatives was first entrusted to Rural Credit Society of Puttur founded in 1909. In order to cater the need for a separate central financing agency to meet the credit requirements of several Co-operatives of the district, the Dakshina Kannada District Central Co-operative Bank was registered on 30<sup>th</sup> Nov. 1913 and began to function from 24<sup>th</sup> Jan. 1914 in Puttur. It was the 7<sup>th</sup> DCC bank to be registered in the then Madras province. The bank was founded under the leadership of Veteran Co-operative of the district like late Molahalli Sivaraya, who guided and nurtured the Co-operative movement in the district since its inception. In 1927, it was shifted to Mangalore, the District Headquarter after consolidating the strong financial position at Puttur in the early years. It's own spacious office building was inaugurated in 1949. Having extended its branches all over the Dakshina Kannada and Udupi district, the bank had undertaken the work of imparting co-operative education and spread of co-operative ideals among the general public. A publication 'Kannada Sahakari' now published by the District Co-operative Union was first started by the bank in 1919.

The DCC Bank has facilitated much for the integrated economic development of the district by financing various co-operative organizations engaged in Marketing, agriculture development, weaving, fisheries, horticulture, sugar factories, milk societies etc., which in turn supplement the rural development. Short term crop loans are being granted for cultivation of commercial crops like Areca, Coconut, Paddy, Sugarcane, Banana etc. The bank has been playing a significant role in implementing the Government sponsored development schemes like I.R.D.P, Hundred well scheme, Bio-gas, and Special Component Schemes for SC/ST. The bank also lends medium and long term credit to agriculturist for purchase of pumpsets, power tiller, dairy development, poultry, repair of minor irrigation tanks, land development, housing and purchase of buffaloes etc. The adequate finance being made by the bank for dairy development has helped many families to become economically self dependent. The agriculture alone cannot eradicate rural unemployment fully. Hence, under the refinance loan scheme of NABARD, DCC bank grants loans for rural and cottage industries, rural crafts, service units etc., at a lower rate of interest. It has enabled many in rural areas to have self employment. Bank also grants loans to the rural people for business, purchase of vehicles, construction of Kalyana Mantapa,

Commercial Complex etc. Both guidance and finance being extended to women for self employment by the bank.

This bank commenced working in 1914 used to do all its banking business through the societies which are the members of the bank. In course of time, in order to manage the growing business, it opened branches all over the district. It's first branch was opened in 1964 at Puttur followed by Kundapur branch in the same years. The branches at Bantval and Udupi in 1968, and at Karkal, Belthangadi and Mangalore (Mission road) and at Sulya were opened in 1969. In course of time, branches were also opened at other places in the district. By March 2005, the district had 49 branches.

The bank had introduced the 'Mangala Kisan' Credit Card Scheme in 1999-2000. Now, loans are being granted to farmers through the Kisan Credit Cards only. The farmers availing the loan under the scheme are also covered by the personal accident insurance benefit. Since the inception of the scheme upto 2005 as many as 40,432 cards have been distributed through the member Co-operatives. The total loan limit fixed under the Kisan Card Scheme was Rs.16,122.40 lakhs. Loans under 'self help group' which plays an important role in the economic development of poor are also being granted by the bank as per the directions of NABARD introduced in the district from 1999-2000. Under the scheme of 'Self-Help-Group', since 1999-2000 and up to the end of March 2005, in the districts of Dakshina Kannada and Udupi, 21,562 'Self-Help-Groups' were organized under Co-operatives hold. The deposits mobilised by these groups were amounted to Rs.1,537.82 lakhs and the loans granted was Rs.3,009.87 lakhs (the Refinance availed from the NABARD was of Rs.1,621.01 lakhs). The performance and progress of this bank during the last 25 years is appended in the succeeding table.

### **Primary Agriculture and Rural Development Banks**

During 1936-37, when private money lenders were able to acquire the lands of small and marginal debtor farmers on the strength of the court decrees they obtained, in that critical situation in order to help such poor small farmers, these Land Mortgage Banks were initiated by Late Molahalli Shivaraya. Accordingly, the Puttur Division Co-operative Land Mortgage Bank was established on 1<sup>st</sup> May 1938 covering the areas of operation of Kasargod, Belthangadi, Buntwal, Sulya and Puttur covering 298 villages of these taluks. Later, on June 26<sup>th</sup> Land Banks for Mangalore Division and in the same year co-operative Land Mortgage Banks for Udupi division were established. Earlier these banks were

**Table 6.14 : Performance of DCC Bank**

(Amount in lakh of Rs.)

| Sl. No. | Particulars                        | As on Year    |               |               |               |               |               |
|---------|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|         |                                    | 1980-81       | 1990-91       | 1995-96       | 2000-01       | 2002-03       | 2003-04       |
| 1.      | <b>Total No. of branches</b>       | 22            | 23            | 25            | 44            | 45            | 49            |
| 2.      | <b>Membership</b>                  |               |               |               |               |               |               |
|         | a) <i>Government</i>               | 1             | -             | 1             | -             | -             | -             |
|         | b) <i>Associates</i>               | -             | -             | -             | -             | 41            | 90            |
|         | c) <i>Co-operatives</i>            | 384           | 664           | 766           | 785           | 777           | 838           |
|         | d) <i>Nominal</i>                  | 3604          | 14938         | 33294         | -             | -             | -             |
| 3.      | <b>Share Capital</b>               |               |               |               |               |               |               |
|         | a) <i>Government</i>               | 36.60         | 32.60         | -             | -             | -             | -             |
|         | b) <i>Co-operative s</i>           | 101.92        | 289.51        | 469.28        | 730.31        | 756.56        | 748.80        |
|         | c) <i>Associates</i>               | -             | -             | -             | -             | 2.95          | 7.05          |
|         | d) <i>Nominal</i>                  | 0.04          | 0.75          | 1.66          | -             | -             | -             |
|         | <b>Total</b>                       | <b>138.56</b> | <b>322.86</b> | <b>470.94</b> | <b>730.31</b> | <b>759.51</b> | <b>755.85</b> |
| 4.      | <b>Reserve Funds</b>               | 91.41         | 118.98        | 193.89        | 464.54        | 903.15        | 1188.20       |
| 5.      | <b>Deposits</b>                    | 1008.54       | 3785.62       | 9262.99       | 28928.82      | 37397.58      | 38336.61      |
| 6.      | <b>Funds borrowed</b>              | 152.66        | 1075.74       | 1071.67       | 2035.83       | 4322.46       | 5549.38       |
| 7.      | <b>Working Capital</b>             | 1391.17       | 5303.30       | 11869.19      | 34450.30      | 44948.92      | 47471.07      |
| 8.      | <b>Investments</b>                 | 307.37        | 1305.25       | 2884.70       | 9412.14       | 13365.73      | 14428.18      |
| 9.      | <b>Loans due</b>                   | 1002.85       | 3704.92       | 7884.27       | 21794.11      | 27110.30      | 28736.20      |
| 10.     | <b>Loans overdue</b>               | 195.95        | 768.40        | 123.27        | 534.41        | 1567.50       | 2813.82       |
| 11.     | <b>Loan recovered percentage</b>   |               |               |               |               |               |               |
|         | a) <i>Agricultural loan (June)</i> | 73.25         | 74.81         | 100.00        | 100.00        | 100.00        | 99.42         |
|         | b) <i>All other loans (June)</i>   | 73.30         | 74.80         | 98.33         | 94.32         | 91.14         | 85.77         |
| 12.     | <b>Profit</b>                      | 0.14          | 25.91         | 45.77         | 258.38        | 404.48        | 405.16        |
| 13.     | <b>Dividend percentage</b>         | -             | -             | 6             | 11            | 10            | 10            |
| 14.     | <b>No. of Employees</b>            | 227           | 232           | 282           | 427           | 413           | 409           |

Source : D.C.C. Bank, Mangalore.

financing for the redemption of old loans borrowed from the private money lenders. After the reorganization of the state in 1956, Kasargod remained outside Karnataka (became a part of Kerala State). For the administrative convenience, separate land development banks were established for Belthangadi, Bantval, Kundapur, Karkala and Sulya

taluks. The nomenclature of these banks was changed as Co-operative land development banks in 1965, and later in 1985, as Primary Co-operative Agriculture and Rural Development Banks. Prior to 1965, loans were granted only for repayment of old loans. Now, these banks are lending money for various development schemes in the changed situations. Though, banks traditionally lend for long term as agriculture development finance, from 1987, non agricultural development activities like small industries, rural housing (from 1989) are also being financed. The performance and progress of these banks in the district for some years in the recent decade is given below.

**Table 6.15: Performance and Progress of Primary Agriculture and Rural Development Banks** (Amount in Lakhs)

| Sl. No. | Important Particulars          | 1995-96 | 2000-01 | 2002-03 | 2003-04  |
|---------|--------------------------------|---------|---------|---------|----------|
| 1.      | <b>No. of Banks</b>            | 5       | 5       | 5       | 5        |
| 2.      | <b>Membership (in 000s)</b>    | 41      | 45      | 48      | 49       |
| 3.      | <b>Share Capital</b>           |         |         |         |          |
|         | a) <b>Total</b>                | 234.18  | 299.64  | 351.61  | 166.20   |
|         | b) <b>Government Share</b>     | 21.61   | 35.54   | 36.04   | 35.54    |
| 4.      | <b>Reserve and other Funds</b> | 126.44  | 156.23  | 219.84  | 294.59   |
| 5.      | <b>Borrowed funds</b>          | 2363.37 | 3436.73 | 4119.26 | 4187.87  |
| 6.      | <b>Working Capital</b>         | 3851.71 | 4956.77 | 6174.29 | 6288.50  |
| 7.      | <b>Deposits</b>                | 413.09  | 793.05  | 1073.00 | 10982.29 |
| 8.      | <b>Loans</b>                   |         |         |         |          |
|         | a) <b>Granted</b>              | 812.77  | 902.07  | 1137.84 | 996.03   |
|         | b) <b>Demand (dues)</b>        | 3112.72 | 4152.12 | 4482.41 | 4066.36  |
|         | c) <b>Overdues</b>             | -       | -       | 2580.00 | 2015.69  |
|         | d) <b>Recovered</b>            | 95.64   | 86.41   | 287.44  | 445.98   |
| 9.      | <b>Profit (+) No. of Banks</b> | -       | 2       | 2       | 4        |
|         | <b>Loss (-) No. of Banks</b>   | -       | 3       | 3       | 1        |

Source : District Co-operative Department, Mangalore.

### Primary Agricultural Credit Societies / Banks

The Primary Agricultural Credit Society units working at the primary level play an important role in the distribution of agricultural credit and other necessary requisites on a large scale and in an effective manner. The rural credit is mainly channalised through these Co-operatives. They

also supply fertilizers, quality seeds, insecticides and consumer goods like food grains under a rationing at controlled prices etc in addition to granting of crop loans (short term), and they also help in getting better and remunerative prices for agricultural produces. They also extend loans to rural artisans and craftsmen. From 1995-96, under the scheme of Business Promotion, these PACS are strengthened financially and have been converted as PAC Banks assisted by the Government by providing them financial help to have Banking Counters and Iron Safes. The table below indicates the progress of these organizations during recent years in the district.

**Table 6.16: Progress of Primary Agricultural Credit Societies**

(Amount in Lakhs)

| Sl. No. | Particulars                       | 1995-96 | 2000-01 | 2002-03 | 2003-04 |
|---------|-----------------------------------|---------|---------|---------|---------|
| 1.      | <b>Total No. of PACS (Banks)</b>  | 104     | 111     | 111     | 112     |
| 2.      | <b>Membership</b> (in 000s)       |         |         |         |         |
|         | a) <b>SC</b>                      | 14      | 16      | 16      | 15      |
|         | b) <b>ST</b>                      | 18      | 22      | 22      | 22      |
|         | c) <b>Others</b>                  | 149     | 144     | 157     | 181     |
| 3.      | <b>Total membership</b> (in 000s) | 181     | 183     | 195     | 218     |
| 4.      | <b>Total share capital</b>        | 9066    | 2191    | 2441    | 2716    |
|         | a) <b>Government share</b>        | 116     | 207     | 169     | 176     |
| 5.      | <b>Loans distributed</b>          | 10832   | 28120   | 30238   | 25395   |
| 6.      | <b>Loans recovered</b>            | 8618    | 17793   | 26338   | 21713   |
| 7.      | <b>Arrears of loan</b>            | 2214    | 5327    | 3900    | 3682    |
| 8.      | <b>Loans overdue</b>              | 298     | 3351    | 2112    | 2322    |
| 9.      | <b>Recovery percentage</b>        | 79      | 74      | 67      | 81      |
| 10.     | <b>Profit (+)</b>                 | -       | 34567   | 60473   | 53534   |
| 11.     | <b>Loss(-)</b>                    |         | 26566   | 19418   | 32495   |

Source : Department of Co-operative, Mangalore.

### **Taluk Agricultural Produce Co-operative Marketing Societies**

These Co-operatives were started mainly in order to eliminate middle men in the functioning of marketing of agricultural produces and to ensure fair and remunerative prices to the growers. In Dakshina Kannada district there are five marketing societies functioning at each taluk centres. They also supply the quality seeds, fertilizers, pesticides to the

members in their jurisdiction. These Co-operatives also do the linking of credit with marketing by advancing on produce mortgage. These societies also undertake the processing of agricultural produces and act as *Government* agents in discharging the work entrusted to them. They also undertake the marketing of controlled goods like food grains, and cloths. In order to help the marketing societies to undertake multi-purpose activities, the financial assistance is provided by the State Government in collaboration with N.C.D.C. From 1995-96, in order to improve the business of marketing societies, many business Development Schemes have been initiated. The progress of TAPCMS in the district during recent years is given in the Table No.6.17.

**Table 6.17: Progress of Taluk Agricultural Produce Co-operative Marketing Societies in the District**

| Sl. No. | Particulars                               | 1995-96 | 2000-01 | 2002-03 | 2003-04 |
|---------|---|---------|---------|---------|---------|
| 1.      | <b>No. of TAPCMS</b>                      | 5       | 5       | 5       | 5       |
| 2.      | <b>Membership</b>                         | 7561    | 10762   | 10951   | 11104   |
| 3.      | <b>Share capital (Rs. In 000)</b>         | 6995    | 10961   | 11605   | 12400   |
| 4.      | <b>Government Shares (in 000)</b>         | -       | -       | 4200    | 4200    |
| 5.      | <b>Working Capital (in 000)</b>           | 55695   | 70325   | 72524   | 78647   |
| 6.      | <b>Reserve &amp; other funds (in 000)</b> | 7662    | 10082   | 11108   | 12506   |
| 7.      | <b>Borrowed loans (in 000)</b>            | -       | 4100    | 3800    | 4000    |
| 8.      | <b>Sale of Agricultural Produces</b>      |         |         |         |         |
|         | a) <b>Seeds Rs.000</b>                    | 70      | 90      | 95      | 100     |
|         | b) <b>Fertilizers (in Rs.000)</b>         | 8225    | 11331   | 12681   | 22923   |
|         | c) <b>Other goods (in Rs.000)</b>         | 51      | 80      | 90      | 110     |
| 9.      | <b>No. of own godowns</b>                 | 30      | 32      | 32      | 32      |
| 10.     | <b>No. of hired godowns</b>               | 4       | 5       | 6       | 6       |
| 11.     | <b>No. of Societies in profit(+)</b>      | 1       | 1       | 2       | 2       |
| 12.     | <b>Profit earned (in 000s)</b>            | 95      | 90      | 101     | 318     |
| 13.     | <b>No. societies under loss</b>           | 4       | 4       | 3       | 3       |
| 14.     | <b>Amount of loss (in 000s)</b>           | 2125    | 3461    | 3518    | 5615    |

Source: District Co-operation Department, Mangalore.

### **Primary Milk Producers' Co-operatives**

Among other things, the main objectives of these Co-operatives is to provide the necessary infrastructure to ensure the development of

dairy industry in the rural areas and to arrange for procurement and marketing of milk elsewhere. The establishment of Dakshina Kannada District Co-operative Milk Union in 1986 at Mangalore has given a boost to the milk supply societies in the district and their number has been increased during these twenty years and they are playing important role in the success of Ksheera Kranti (Milk Revolution). The table given below indicates the progress of these societies for some years during the last 10 years.

**Table 6.18 : Progress of Primary Milk Producers Co-operatives**

(Amount in 000s)

| Sl. No. | Particulars                      | 1995-96 | 2000-01 | 2002-03 | 2003-04 |
|---------|----------------------------------|---------|---------|---------|---------|
| 1.      | <b>Total number of societies</b> | 136     | 186     | 203     | 213     |
| 2.      | <b>Total membership</b>          | 21214   | 29412   | 31168   | 33474   |
| 3.      | <b>Share capital</b>             | 1065    | 2016    | 2200    | 2903    |
| 4.      | <b>Working capital</b>           | 28362   | 41862   | 45350   | 62322   |
| 5.      | <b>Reserve and other funds</b>   | 2000    | 5000    | 5000    | 22501   |
| 6.      | <b>Purchases</b>                 | 199145  | 211844  | 654603  | 769024  |
| 7.      | <b>Sales</b>                     | 200564  | 223378  | 810642  | 957066  |
| 8.      | <b>Profit (+) or Loss (-)</b>    |         |         |         |         |
|         | +                                | 6513    | 9813    | 9700    | 4511    |
|         | -                                | 10      | 15      | 10      | 18      |

Source : Department of Co-operative, Mangalore

### **Primary Consumer's Co-operatives**

In spite of very tough competition from the private sector, the consumer Co-operatives as a service sector play an important role in the distribution of consumer goods of daily use at competitive prices. They also play their own part in arresting the rising prices of essential consumer goods to a certain extent. In recent days these Co-operatives are strengthened by the Government assistance in improving their self capacity under the business development projects so as to make them profitable units. The table here under indicates the progress of these Co-operatives in the district.

**Table 6.19: Progress of Primary Consumer's Co-operatives**

(Amount in 000s)

| Sl. No. | Particulars                    | 1995-96 | 2000-01 | 2002-03 | 2003-04 |
|---------|--------------------------------|---------|---------|---------|---------|
| 1.      | <b>No. of societies</b>        | 35      | 27      | 23      | 22      |
| 2.      | <b>Total Membership</b>        | 36513   | 37914   | 21254   | 21724   |
| 3.      | <b>Share capital</b>           | 4005    | 3960    | 4102    | 4232    |
|         | <b>Government Share</b>        | 1120    | 1682    | 1917    | 1818    |
| 4.      | <b>Reserve and other funds</b> | 875     | 10005   | 9889    | 10010   |
| 5.      | <b>Working Capital</b>         | 42236   | 43819   | 30754   | 34821   |
| 6.      | <b>Purchases</b>               | 115676  | 124688  | 170765  | 141207  |
| 7.      | <b>Sales</b>                   | 120057  | 132157  | 139056  | 150020  |
| 8.      | <b>Profit (+) or Loss (-)</b>  |         |         |         |         |
|         | +                              | 1222    | 1422    | 1564    | 1671    |
|         | -                              | 1253    | 1793    | 1777    | 1521    |

Source : Department of Co-operative, Mangalore.

**Urban Co-operative Banks and Employees Credit Societies**

From the beginning, the Urban Co-operative Banks in the district is closely associated with the Co-operative movement. Infact, the co-operative movement of the district made its beginning with starting of Urban Banks. They are spread all over the urban and semi-urban areas of the district. They extend credit and other facilities like commercial banks to its members generally which include the local small traders, businessmen, industrialist and craftsmen etc. These co-operatives accept all type of deposits and lend various types of loans as commercial banks do on the security of immovable property, jewellery or on personal security etc. Some of these banks are governed by the Banking Companies regulation Act of 1949, and come under the control of Reserve Bank of India against their capital base. Similarly, the Employees Co-operative Credit Societies also mobilize savings by thrift and extend financial help to members. The tables given under indicates the progress of Urban Co-operative Banks and Employees Credit Co-operative Societies for some years. (Table 6.20 and 6.20a)

**District Co-operative Union, Mangalore**

District Co-operative Union has been playing a key role in the promotion and healthy growth of Co-operative movement in the district



**Table 6.20: Urban Co-operative Banks** (Amount in lakhs)

| Sl. No. | Particulars                      | 1995-96  | 2000-01  | 2002-03  | 2003-04  |
|---------|----------------------------------|----------|----------|----------|----------|
| 1.      | <b>No. of Banks</b>              | 8        | 8        | 8        | 8        |
| 2.      | <b>Membership</b> (in thousands) | 53       | 71       | 74       | 78       |
| 3.      | <b>Reserve and other funds</b>   | 1026.31  | 1500.01  | 1558.98  | 1661.01  |
| 4.      | <b>Deposits</b>                  | 12648.39 | 18324.64 | 24918.40 | 22116.71 |
| 5.      | <b>Loans and advances</b>        | 11565.23 | 12946.31 | 13738.85 | 14716.21 |
| 6.      | <b>Share capital</b>             | 912.92   | 1101.91  | 1113.31  | 1231.14  |
| 7.      | <b>Working capital</b>           | 20104.86 | 28101.36 | 24253.93 | -        |
| 8.      | <b>No. of banks in profit</b>    | 8        | 8        | 7        | 7        |
| 9.      | <b>No. of Banks in loss</b>      | -        | -        | 1        | 1        |

**Table 6.20(a): Employee's Co-operative Banks** (Amount in lakhs)

| Sl. No. | Particulars                      | 1995-96 | 2000-01 | 2002-03 | 2003-04 |
|---------|----------------------------------|---------|---------|---------|---------|
| 1.      | <b>No. of Societies</b>          | 63      | 68      | 68      | 68      |
| 2.      | <b>Membership</b> (in thousands) | 49      | 58      | 59      | 61      |
| 3.      | <b>Share capital</b>             | 512.17  | 713.26  | 764.65  | 812.65  |
| 4.      | <b>Working capital</b>           | 7216.04 | 9121.06 | 9973.08 | 9998.07 |
| 5.      | <b>Reserve and other funds</b>   | 351.65  | 400.51  | 427.72  | 463.51  |
| 6.      | <b>Deposits</b>                  | 6251.81 | 7235.61 | 7889.31 | 7912.32 |

as a monitor of the movement. Among other things, the main objectives of the Union include the propaganda of Co-operative principles to members education, training and guidance to the management etc.

The state level Co-operative Union at Bangalore was reorganised after the formation of new State, as Co-operative Federation, which gives guidance and other helps to the District Unions. The State Federation is the confederation of District Co-operative Unions.

The Dakshina Kannada district Co-operative Union, Mangalore, started in 1960 is the successor of Dakshina Kannada district Co-operative Development Society founded in 1939. It had members like District level Co-operatives and Taluk Co-operative Unions affiliated to it. It was publishing a monthly Kannada "Sahakari". Now, the Union is undertaking the activities like the publicity, training, and guidance at the district level under the guidance of State Federation. All co-operatives

working in the district shall become the members of the union. Now, the earlier monthly publication is published in the name 'Dakshina Kannada Sahakari'. Since the formation of Udupi district in 1998, the area of operation of the union is now confined to Dakshina Kannada district.

### **Agriculture Marketing**

Among the various basic factors to ensure the all-round development of agriculture, a proper and well organized marketing system play a significant role for the agricultural produces. Before the commencement of regulated markets, most of the agricultural produces were being sold in the local markets or *Shandies* or *Santhe* either directly or through middle men. During pre-independence period, in the absence of regulated markets, financial institutions, proper godown facilities, lack of facilities for grading and classification and prevailing practices like use of defective weights and measures, unauthorized deduction etc., contributed to the agony to critical economic conditions of the poor agriculturist, who suffered much due to depreciation of non remunerative value, equal to his hard labour. In order to overcome these difficulties, the Royal Commission on Agriculture appointed in 1927 suggested and emphasized the need for the establishment of regulated markets.

In order to provide better marketing facilities as well as remunerative price for agricultural produces, the then Madras Government had enacted the Madras Commercial Crops Act in 1933. According to this Act, the Agricultural Produce Market Committee (APMC) was constituted in 1951 at Mangalore covering the area of operation of the then Dakshina Kannada district. It was managing well both the buying and selling functions.

### **Karnataka Agricultural Produce (Regulation) Marketing Act - 1966**

After the reorganization of the State, in order to provide more and more better marketing facilities and to have a comprehensive and unified act applicable to the entire state was formulated in 1966 and the rules there under i.e., Agriculture produce (Regulation) Marketing were framed in 1968. In order to supervise the regulated markets in the district, the office of District Marketing Officer was opened at Mangalore on 1<sup>st</sup> January 1967. The area of op of the office covered Dakshina Kannada and Kodagu.

In 1987, on 12<sup>th</sup> March the earlier District Marketing Office was renamed as Asst. Director of Agriculture Marketing and the jurisdiction was limited to Dakshina Kannada only. The department administers the

following acts in the district, the Karnataka Agriculture Produce (Regulation) Marketing Act 1966, and Rules 1968, the AGMARK (the grading and marketing) Act of Central Government of 1937, the Karnataka Ware Housing Act 1961 and Rules 1969 (issuing of license only).

The Act has made provision for the constitution of a market committee to look after the functioning of regulated markets. The Committee comprises 15 members, representing different member constituencies i.e., 11 from farmers, (one each reserved for SC/ST, Women and two for backward class). One from Purchasers, one from Co-operative marketing society, one from processing Co-operatives and one Government nominee from the Department of Marketing. The Committee also consists of three nominated members from the Government. The Committee shall remain in office for five years, the President and Vice Presidents of the Committee shall be from Farmers constituency only. The functions of the APMC mainly include controlling the marketing activities in its jurisdiction and to provide the necessary infrastructures like roads, water supply, street lights, canteen, rest house, auction platforms, planting of trees for providing shades. Some selected committees extend the specialized services like classification and grading of agricultural produces.

The main sources of income of the Committee include Market Fees, licence fees and all the expense of the committee are to be met out of it. All market functionaries working in the market have to pay license fees, and purchasers have to pay market fees at the rate of one percent of the value of agriculture produces, the market fees fixed on cattles is rupee two per head, while on sheep and goat is 25 paise per head.

### **Regulated Market Committees**

In 2004-05, the district had five main markets and three sub markets functioning, the details about them is given in the Table 6.21.

### **Regulated Commodities**

Generally, the survey is conducted in the market area about the agricultural produces grown or assembled (procured) and such commodities are declared as notified commodities of that regulated market and even new produces are also declared as notified commodities from time to time. As per the notification of the Government dated 29-10-2001 in the present Dakshina Kannada district, as many as 113 agricultural produces were declared as notified commodities. The list of

**Table 6.21: APMC Markets of the District**

| Sl. No. | Main Markets and Sub-Markets   | Location                  | Date of Establishment | Area of op of the Market Committee |
|---------|--------------------------------|---------------------------|-----------------------|------------------------------------|
| 1.      | <b>Mangalore Main Market</b>   | Mangalore                 | 1951                  | Mangalore Taluk                    |
| 2.      | <b>Mangalore Sub-Market</b>    | Mudibidri                 | 1.8.1997              | Mudibidri TMC                      |
| 3.      | <b>Puttur Main Market</b>      | Puttur                    | 11.11.1992            | Puttur Taluk                       |
| 4.      | <b>Puttur Sub Market</b>       | Uppinangadi and Nekkiladi | 23.4.1996             | Uppinangadi and Nekkiladi          |
| 5.      | <b>Sulya Main Market</b>       | Sulya                     | 16.11.1996            | Sulya Taluk                        |
| 6.      | <b>Belthangadi Main Market</b> | Belthangadi               | 1.4.1999              | Belthangadi Taluk                  |
| 7.      | <b>Buntwal Main Market</b>     | Buntwal                   | 18.12.2001            | Buntwal Taluk                      |
| 8.      | <b>Buntwal Sub Market</b>      | Vitla                     | 18.12.2001            | Vitla Assembly Area                |

Source : Agriculture Marketing Department, Mangalore

important notified commodities include areca, coconut, copra, paddy, rice, cashew, pepper, ginger, dry chilly, banana, Jaggery, sweet potato, mango, cattles, timber etc. Table No.6.22 indicates the volume of notified commodities traded and value of the commodities in the regulated markets of the district for some years.

### **Income and Expenditure**

License fees and market fees are the main sources of income to the APMC. In 1990-91, the income and expenditure of the Mangalore market committee were accounted to Rs.247.61 lakhs and Rs.74.66 lakhs respectively, and in 1995-96 the corresponding figures were Rs.180.41 and Rs.71.49 lakhs respectively. In respect of APMC Puttur the income and expenditures for 1995-96 were accounted to Rs.6.45 lakhs and Rs.44.67 lakhs respectively. The income and expenditure of APMCs in the district for the last three years is given in the table No.6.23.

### **Pledge Loans on Agriculture Produces**

In order to save the farmers from the situations of distress, and in the absence of reasonable prices for his produces, the Government has provided an opportunity to such farmers to secure an advance on the pledge of the produce as a relief measure. This facility is available in Puttur and Sulya markets. This scheme has been introduced since 1995. Under the scheme, about 60 percent of the value of the produce or Rs.50,000 whichever is less is advanced for a maximum period of three months.

Table 6.22 : List of Commodities Regulated in the APMCs of the District.

| Sl. No. | Name of Produce | 1990-91<br>(Mangalore)    |                            | 1995-96<br>(Mangalore)    |                            | 1995-96<br>(Puttur)       |                            |
|---------|-----------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|
|         |                 | Arrivals<br>(in quintals) | Value<br>(in lakhs of Rs.) | Arrivals<br>(in quintals) | Value<br>(in lakhs of Rs.) | Arrivals<br>(in quintals) | Value<br>(in lakhs of Rs.) |
| 1.      | Areca           | 348302                    | 12318.02                   | 222012                    | 9268.51                    | 38345                     | 1661.33                    |
| 2.      | Ripe Areca      | 7820333                   | 20.30                      | 2172285                   | 7.88                       | 2826618                   | 10.08                      |
| 3.      | Copra           | 27377                     | 598.52                     | 46200                     | 1189.53                    | 117                       | 2.54                       |
| 4.      | Coconut (Nos.)  | 892269                    | 210.55                     | 3950743                   | 112.23                     | 57737                     | 1.71                       |
| 5.      | Rice            | 199674                    | 879.08                     | 256383                    | 2061.06                    | 7818                      | 52.49                      |
| 6.      | Paddy           | 216325                    | 536.42                     | 125161                    | 574.17                     | 133                       | 0.53                       |
| 7.      | Jaggery         | 63649                     | 373.67                     | 42949                     | 350.36                     | 285                       | 1.82                       |
| 8.      | Dry Chillies    | 21729                     | 159.85                     | 17317                     | 798.60                     | 206                       | 6.12                       |
| 9.      | Pepper          | 1355                      | 37.12                      | 1767                      | 66.60                      | 102                       | 4.18                       |
| 10.     | Cashewnut       | 151628                    | 3071.85                    | 22461                     | 627.07                     | 61862                     | 1734.36                    |
| 11.     | Cashew pulp     | -                         | -                          | 2873                      | 520.36                     | -                         | -                          |
| 12.     | Sweet Potato    | 3575                      | 5.33                       | 2450                      | 4.59                       | -                         | -                          |
| 13.     | Ginger          | 7978                      | 48.74                      | 591                       | 6.84                       | 280                       | 0.90                       |
| 14.     | Banana (No.)    | 24454133                  | 37.75                      | 16368(Qnt)                | 72.05                      | 148120                    | 2.86                       |
| 15.     | Other fruits    | 69000                     | 46                         | 450                       | 1.08                       | -                         | -                          |
| 16.     | Timber (CFT)    | -                         | -                          | 4752                      | 19.01                      | -                         | -                          |

| Sl. No. | Name of Produce | 2000-2001 (Mangalore)  |                         | 2000-2001 (Puttur)     |                         | 2000-2001 (Sulya)      |                         | 2000-2001 (Belthangadi) |                         |
|---------|-----------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|
|         |                 | Arrivals (in quintals) | Value (in Lakhs of Rs.) | Arrivals (in quintals) | Value (in Lakhs of Rs.) | Arrivals (in quintals) | Value (in Lakhs of Rs.) | Arrivals (in quintals)  | Value (in Lakhs of Rs.) |
| 1.      | Areca           | 224292                 | 14588.05                | 81614                  | 4262.59                 | 37282                  | 2403.24                 | 17482                   | 1095.64                 |
| 2.      | Ripe Areca(No)  | 4224640                | 2.96                    | 1393500                | 4.32                    | 4773400                | 15.78                   | 1500(Qnt)               | 12.51                   |
| 3.      | Copra           | 89459                  | 1938.92                 | 5650                   | 116.41                  | 10261                  | 201.83                  | 105                     | 2.22                    |
| 4.      | Coconut (No)    | 2566622                | 101.43                  | 288964                 | 7.93                    | 4763820                | 136.69                  | 1465497                 | 47.32                   |
| 5.      | Rice            | 352199                 | 3870.67                 | 70343                  | 697.36                  | 29404                  | 285.35                  | 61.59                   | 606.39                  |
| 6.      | Paddy           | 26258                  | 171.02                  | 519                    | 2.54                    | -                      | -                       | 88539                   | 590.91                  |
| 7.      | Jaggery         | 52722                  | 556.22                  | 12755                  | 130.84                  | -                      | -                       | 470                     | 4.61                    |
| 8.      | Dry Chillies    | 24190                  | 1078.91                 | 1405                   | 45.19                   | 209                    | 4.23                    | 102                     | 3.91                    |
| 9.      | Pepper          | 1589                   | 235.56                  | 197                    | 23.44                   | 527                    | 54.63                   | 3                       | 0.28                    |
| 10.     | Cashewnut       | 3157                   | 114.65                  | 36916                  | 1367.26                 | 40988                  | 1643.16                 | 1767                    | 59.96                   |
| 11.     | Cashew pulp     | 1362                   | 357.32                  | 0.58                   | 0.98                    | 163                    | 21.44                   | -                       | -                       |
| 12.     | Sweet Potato    | 7.75                   | 2.75                    | -                      | -                       | -                      | -                       | -                       | -                       |
| 13.     | Ginger          | 1420                   | 14.46                   | 123                    | 0.68                    | 3691                   | 19.07                   | 880                     | 4.40                    |
| 14.     | Banana          | 18685                  | 96.36                   | 1370500                | 2.59                    | 476                    | 1.33                    | 1961                    | 8.26                    |
| 15.     | Other fruits    | 248                    | 2.21                    | -                      | -                       | -                      | -                       | -                       | -                       |
| 16.     | Timber(CFT)     | 8017                   | 44.10                   | 21728                  | 160.39                  | 447                    | 32.34                   | 30                      | 1.90                    |

| Sl. No. | Name of Produce | 2002-2003 (Mangalore)  |                         | 2002-2003 (Puttur)     |                         | 2002-2003 (Sulya)      |                         | 2002-2003 (Beithangadi) |                         | 2002-2003 (Buntwal)    |                         |
|---------|-----------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|------------------------|-------------------------|
|         |                 | Arrivals (in quintals) | Value (in Lakhs of Rs.) | Arrivals (in quintals) | Value (in Lakhs of Rs.) | Arrivals (in quintals) | Value (in Lakhs of Rs.) | Arrivals (in quintals)  | Value (in Lakhs of Rs.) | Arrivals (in quintals) | Value (in Lakhs of Rs.) |
| 1.      | Areca           | 214499                 | 9892.24                 | 117141                 | 4529.56                 | 64761                  | 2752.65                 | 31214                   | 1045.28                 | 36889                  | 1659.39                 |
| 2.      | Ripe Areca      | -                      | -                       | 386300                 | 1.13                    | 6576000                | 15.52                   | 1794                    | 8.62                    | 742356                 | 2.56                    |
| 3.      | Copra           | 56554                  | 1809.75                 | 7403                   | 214.30                  | 2412                   | 75.37                   | 121                     | 4.06                    | 1013                   | 22.77                   |
| 4.      | Coconut(No)     | 2193910                | 109.01                  | 554615                 | 23.66                   | 8985895                | 397.75                  | 2306910                 | 93.60                   | 323973                 | 13.38                   |
| 5.      | Rice            | 190863                 | 1901.24                 | 11852                  | 114.57                  | 28823                  | 253.16                  | 32798                   | 326.09                  | 26484                  | 234.45                  |
| 6.      | Paddy           | 2480                   | 14.88                   | 145                    | 0.84                    | -                      | -                       | 64428                   | 378.43                  | 15897                  | 81.42                   |
| 7.      | Jaggery         | 22146                  | 215.28                  | 191                    | 2.09                    | -                      | -                       | 275                     | 2.75                    | 943                    | 7.59                    |
| 8.      | Dry Chillies    | 10540                  | 400.56                  | 1776                   | 40.40                   | 299                    | 7.49                    | 52                      | 2.37                    | 845                    | 14.07                   |
| 9.      | Pepper          | 2051                   | 153.26                  | 133                    | 7.46                    | 2535                   | 136.53                  | 30                      | 2.40                    | 34                     | 2.58                    |
| 10.     | Cashewnut       | 6561                   | 201.52                  | 33498                  | 955.80                  | 57068                  | 1714.28                 | 1236                    | 35.38                   | 3259                   | 111.46                  |
| 11.     | Sweet Potato    | 263                    | 0.97                    | -                      | -                       | -                      | -                       | -                       | -                       | -                      | -                       |
| 12.     | Ginger          | 579                    | 7.92                    | -                      | -                       | 2230                   | 10.80                   | 655                     | 3.17                    | -                      | -                       |
| 13.     | Banana (No)     | 14410                  | 75.80                   | 712000                 | 1.37                    | 1320                   | 6.53                    | 1915                    | 8.55                    | 155200                 | 0.90                    |
| 14.     | Other fruits    | 3273                   | 43.27                   | 56                     | 0.15                    | -                      | -                       | -                       | -                       | -                      | -                       |
| 15.     | Timber (CFT)    | 7264                   | 37.78                   | 8427                   | 26.46                   | 2084                   | 139.79                  | 380                     | 24.90                   | -                      | 11.32                   |
| 16.     | Vegetables      | 107492                 | 446.99                  | 206                    | 0.87                    | -                      | -                       | 20                      | 0.10                    | 3136                   | 2.50                    |
| 17.     | Oil Seeds       | 718                    | 3.49                    | 31                     | 0.54                    | -                      | -                       | -                       | -                       | 4                      | 0.08                    |
| 18.     | Forest Products | 2670                   | 90.88                   | 611                    | 4.24                    | 340                    | 1.46                    | -                       | -                       | 9                      | 0.12                    |
| 19.     | Spices          | 16299                  | 524.09                  | 38                     | 1.42                    | -                      | -                       | -                       | -                       | 64                     | 1.25                    |
| 20.     | Cereals         | 104653                 | 1498.18                 | 241                    | 6.09                    | -                      | -                       | -                       | -                       | 7948                   | 59.00                   |

| Sl. No. | Name of Produce | 2002-2003 (Mangalore)  |                         | 2002-2003 (Puttur)     |                         | 2002-2003 (Sulya)      |                         | 2002-2003 (Beithangadi) |                         | 2002-2003 (Buntwal)    |                         |
|---------|-----------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|------------------------|-------------------------|
|         |                 | Arrivals (in quintals) | Value (in Lakhs of Rs.) | Arrivals (in quintals) | Value (in Lakhs of Rs.) | Arrivals (in quintals) | Value (in Lakhs of Rs.) | Arrivals (in quintals)  | Value (in Lakhs of Rs.) | Arrivals (in quintals) | Value (in Lakhs of Rs.) |
| 1.      | Areca           | 175516                 | 8417.98                 | 75703                  | 3797.78                 | 57158                  | 3034.41                 | 28497                   | 1090.39                 | 39670                  | 2075.50                 |
| 2.      | Ripe Areca      | -                      | -                       | 15000                  | 0.05                    | 4346000                | 12.69                   | 1560                    | 7.36                    | 656850                 | 2.25                    |
| 3.      | Copra           | 41640                  | 1416.72                 | 5842                   | 183.181                 | 3311                   | 132.91                  | 187                     | 7.20                    | 1311                   | 43.38                   |
| 4.      | Coconut         | 3484150                | 174.21                  | 668052                 | 36.68                   | 9723661                | 533.59                  | 1917020                 | 87.08                   | 1882164                | 98.08                   |
| 5.      | Rice            | 189899                 | 1931.12                 | 10892                  | 105.30                  | 18638                  | 167.00                  | 24518                   | 239.45                  | 32449                  | 308.78                  |
| 6.      | Paddy           | 6698                   | 43.32                   | 131                    | 0.81                    | -                      | -                       | 35613                   | 213.00                  | 16370                  | 93.70                   |
| 7.      | Jaggery         | 15888                  | 149.28                  | -                      | -                       | -                      | -                       | 275                     | 2.78                    | 1821                   | 15.15                   |
| 8.      | Dry Chillies    | 12430                  | 465.29                  | 1293                   | 34.81                   | 266                    | 6.78                    | 77                      | 4.13                    | 690                    | 14.51                   |
| 9.      | Pepper          | 6624                   | 461.45                  | 210                    | 7.08                    | 656                    | 35.69                   | 34                      | 2.26                    | 209                    | 13.01                   |
| 10.     | Cashewnut       | 10720                  | 338.52                  | 45664                  | 1360.34                 | 40860                  | 1324.13                 | 1700                    | 50.98                   | 8954                   | 278.04                  |
| 11.     | Sweet Potato    | 207                    | 0.83                    | -                      | -                       | -                      | -                       | -                       | -                       | -                      | -                       |
| 12.     | Ginger          | 534                    | 12.94                   | -                      | -                       | 2183                   | 16.00                   | -                       | -                       | -                      | -                       |
| 13.     | Banana (Gnt)    | 16709                  | 83.55                   | 9500                   | 0.05                    | 2515                   | 12.10                   | 1784                    | 8.44                    | 390050                 | 1.88                    |
| 14.     | Other fruits    | 323                    | 2.75                    | -                      | -                       | -                      | -                       | -                       | -                       | -                      | -                       |
| 15.     | Timber          | 16836                  | 84.18                   | 5253                   | 25.18                   | 1893                   | 130.51                  | 377                     | 26.04                   | -                      | 52.44                   |
| 16.     | Vegetables      | -                      | -                       | 27                     | 0.17                    | -                      | -                       | 155                     | 0.60                    | 196                    | 1.17                    |
| 17.     | Oil Seeds       | -                      | -                       | 18                     | 0.42                    | -                      | -                       | -                       | -                       | 9                      | 0.46                    |
| 18.     | Forest Products | -                      | -                       | 544                    | 2.98                    | 330                    | 1.03                    | -                       | -                       | 160                    | 1.28                    |
| 19.     | Spices          | -                      | -                       | 19                     | 0.76                    | -                      | -                       | -                       | -                       | 17                     | 0.36                    |
| 20.     | Cereals         | -                      | -                       | 228                    | 7.30                    | -                      | -                       | -                       | -                       | 4287                   | 30.82                   |



**Table 6.23 : Income and Expenditure of APMCs**

(Amount in lakhs)

| APMCs of the District | 2000-01 |             | 2002-2003 |             | 2003-2004 |             |
|-----------------------|---------|-------------|-----------|-------------|-----------|-------------|
|                       | Income  | Expenditure | Income    | Expenditure | Income    | Expenditure |
| 1. Mangalore          | 260.34  | 210.65      | 285.98    | 139.97      | 236.49    | 140.66      |
| 2. Putturu            | 85.46   | 58.55       | 81.29     | 43.27       | 70.01     | 48.81       |
| 3. Sulya              | 52.68   | 45.44       | 55.45     | 23.35       | 60.84     | 30.47       |
| 4. Belthangadi        | 24.96   | 7.86        | 19.70     | 9.52        | 23.19     | 9.99        |
| 5. Bantval            | -       | -           | 21.46     | 11.45       | 33.46     | 13.27       |

Source : District Marketing Office, Mangalore

The Table indicating the market functionaries of APMCS in the district for some years 1990-91 to 2000-01 and 2002-03 to 2003-04 is given Table 6.24 and 6.24(a) respectively.

**Table 6.24 : Market Functionaries of APMCs**

| Sl. No. | Market Functionaries | 1990-91 | 1995-96 |        | 2000-2001 |        |       |             |
|---------|----------------------|---------|---------|--------|-----------|--------|-------|-------------|
|         |                      | M'lore  | M'lore  | Puttur | M'lore    | Puttur | Sulya | Belthangadi |
| 1.      | Commission Agents    | 93      | 102     | 15     | 104       | 14     | 11    | 1           |
| 2.      | Traders              | 1090    | 739     | 246    | 661       | 216    | 101   | 42          |
| 3.      | Retail Traders       | 669     | 165     | 325    | 103       | 160    | 83    | 102         |
| 4.      | Importers            | 405     | 431     | 45     | 385       | 65     | 15    | 18          |
| 5.      | Exporters            | 476     | 501     | 153    | 462       | 136    | 57    | 18          |
| 6.      | Processors           | 319     | 182     | 37     | 84        | 69     | 16    | 15          |
| 7.      | Weigh Men            | 84      | 16      | -      | -         | -      | -     | -           |
| 8.      | Hamalis              | 195     | 36      | 6      | 132       | 2      | -     | -           |
| 9.      | Transporters         | 6       | 4       | 2      | 6         | -      | -     | -           |
| 10.     | Ware House keepers   | 2       | 2       | -      | 2         | -      | -     | -           |
| 11.     | Crushers             | 110     | 44      | 32     | 16        | 18     | 13    | 11          |
| 12.     | Brokers              | -       | -       | -      | 2         | -      | -     | -           |
| 13.     | Stockists            | 2       | 2       | -      | 11        | -      | -     | -           |
| 14.     | Cartmen              | -       | 2       | -      | -         | -      | -     | -           |

**Table 6.24(a) : Market functionaries of APMCs**

| Sl. No. | Market Functionaries | Year 2002-2003 |        |       |             |         | 2003-2004 |        |       |             |         |
|---------|----------------------|----------------|--------|-------|-------------|---------|-----------|--------|-------|-------------|---------|
|         |                      | Mangalore      | Puttur | Sulya | Belthangadi | Buntwal | Mangalore | Puttur | Sulya | Belthangadi | Buntwal |
| 1.      | Commission Agents    | 95             | 10     | 12    | -           | 10      | 89        | 12     | 14    | 6           | 9       |
| 2.      | Traders              | 586            | 191    | 123   | 55          | 126     | 598       | 203    | 129   | 59          | 150     |
| 3.      | Retail Traders       | 74             | 29     | 155   | 117         | 63      | 36        | 48     | 158   | 118         | 52      |
| 4.      | Importers            | 389            | 73     | 26    | 27          | 68      | 415       | 74     | 28    | 19          | 84      |
| 5.      | Exporters            | 406            | 148    | 62    | 22          | 81      | 423       | 163    | 66    | 21          | 83      |
| 6.      | Processors           | 72             | 73     | 17    | 19          | 33      | 86        | 80     | 18    | 23          | 36      |
| 7.      | Weighmen             | -              | -      | -     | -           | -       | -         | -      | -     | -           | -       |
| 8.      | Hamalis              | 185            | 2      | -     | -           | -       | 183       | 1      | -     | -           | -       |
| 9.      | Transporters         | 2              | -      | -     | -           | -       | 4         | -      | -     | -           | -       |
| 10.     | Warehouse Keepers    | 1              | -      | -     | -           | -       | 2         | -      | -     | -           | -       |
| 11.     | Crushers             | 17             | 4      | 14    | 12          | 11      | 21        | 12     | 14    | 7           | 11      |
| 12.     | Bookers              | -              | -      | -     | -           | -       | -         | -      | -     | -           | -       |
| 13.     | Stockists            | 5              | 2      | -     | -           | 1       | 5         | -      | -     | 1           | -       |
| 14.     | Cartmen              | -              | -      | -     | -           | -       | -         | -      | -     | -           | -       |

Source : District Agriculture Marketing Office, Mangalore.

### Farmers Accident Insurance Benefit Scheme

This social security oriented Insurance scheme known as Raita Sanjeevini covers the members of the farmers family in the age group of 18 to 60. Under the scheme, if the members of the insured family in the course of agricultural operations and also while participating in the process of marketing in the market yard, dies or becomes physically handicapped due to accidents, the insured will get the minimum compensation of Rs.15000 to maximum of Rs.25000. Under this scheme, from 1996-97 to 2003-04, the following amount of compensation has been distributed for different accidents occurred, the figures in the bracket indicate the number of beneficiaries. APMC, Mangalore (24) Rs. 4,71,500, Puttur (60), Rs.10,74,000, Sulya (37), Rs.7,07,000, Belthan-gadi (37), Rs.5,69,500, Buntwal (5) Rs.1,05,000.

### **Insurance for Hamalis and Weighmen**

Under the social security scheme, the Group Life Insurance Scheme has been adopted in all APMCs of the district covering the market functionaries like licensed Hamalis, weighmen and Cartsmen under the age group of 18 to 60. This scheme is administered by the Karnataka Agricultural Produce Marketing Board in collaboration with LIC. Under the scheme Insurance coverage is Rs.25000 in case of natural death and Rs.50000 in case of death due to accident.

### **Food and Civil Supplies**

Generally, the Government introduces the rationing system for the distribution of essential commodities based on the position of gaps between the demands and supply. Specially, during the second world war and there after the control was introduced on food grain. The department of food and civil supplies at the district level under the essential commodities Act of 1965 administers and regulates as many as 28 different regulations introduced by the Central and State Governments, so as to ensure the judicious distribution of essential commodities and also to maintain the stability in prices of such goods. The work of implementation of informal rationing system is also under taken by the department.

### **Public Distribution System**

In 1965, when the State experienced the scarcity situations of essential commodities, the Government resorted to the introduction of informal rationing system in order to improve the situations beginning with Bangalore and Industrial Town, K.G.F. In 1974, Mangalore was brought under the purview of informal rationing, subsequently in 1978, the system was made to applicable all towns and cities exceeding the population of 40,000. At present Mangalore alone is covered under this system in the district.

Since 1-11-1985, the rural poor with less than Rs.3,500/- annual income (Now Rs.12,000) were supplied with food grains to concessional rates, and the people covered under the schemes include the land less agriculture labourers, rural artisans, small and marginal farmers, farm workers, disabled; beneficiaries like old age pensioners, widow pensioners etc. Their families were supplied with Green Ration Card and every such card holder were supplied with five kg. rice (@ Rs.2.50 per kg.) and five kg. wheat (@Rs.1.60 per kg.) per month. This scheme was further extended to Urban poor with an area less than 20000 population from

August 15<sup>th</sup> 1989. In order to identify clearly the weaker sections of the rural area under the scheme, they were supplied with green colour cards and others with saffron colour cards. Similarly, weaker sections of the Urban areas were supplied with Green Card and others with General cards. The rural poor with Suffron Colour Card and General Card Holders in Urban areas were supplied with limited quantity of essential goods on usual rates.

From 1<sup>st</sup> of June 1997, the target oriented public distribution system has been introduced. Since 1-11-1985, the system of supply of food grains at the prevailing concessional rates has been continued. For the Urban families the annual income exceeding Rs.17000 have been issued with photo Ration Cards, while the rural families with more than Rs.12000 annual income are issued with Saffron colour ration cards. In case of poor rural families less than Rs.12000 annual income and less than Rs.17000 annual income of Urban poor families are issued with green/yellow ration cards. [Based on the economic conditions of the poor, the families below the poverty line (BPL) are issued yellow cards replacing green cards).

The families holding yellow cards will get every month 28 kg. of rice (@ Rs.6.15 per kg.) and 7 kg. wheat (@ Rs.4.65 per kg.) through the fair price shops. From 1-9-2004 the scheme has been revised, accordingly, 20 kg. rice (@ Rs. 3 per kg) and five kg wheat (@ Rs.3 per kg.) are supplied.

The Government of India has launched a scheme for the benefit of extremely poor i.e., 'Anthyodaya Anna Yojana' from 2001-02. Under the scheme, every poor family will get 28 kg rice and 7 kg wheat every month at the most concessional rates of Rs.3 for rice and Rs. 2 for wheat respectively. The table given below indicates the number of fair price shops in the district from 1990-91 to 2003-04.

**Table 6.25 : Number of Fair Prices Shops in the District**

| APMCS of the District | Year    |         |         |         |         |         |
|-----------------------|---------|---------|---------|---------|---------|---------|
|                       | 1990-91 | 1995-96 | 2000-01 | 2001-02 | 2002-03 | 2003-04 |
| <b>Urban</b>          | 180     | 198     | 142     | 136     | 131     | 132     |
| <b>Rural</b>          | 700     | 676     | 432     | 432     | 432     | 414     |
| <b>Total</b>          | 880     | 874     | 574     | 568     | 563     | 546     |

By 1990-91, the total number of rationcards of different colours distributed to the members were 1,30,743 three (tri colours) 2,62,963

saffron and 1,05,427 urban photo cards, the grand total being of 4,99,133. By 1995-96, the district had total 5,04,256 cards and there break-up being 4,247 (Urban), and 1,74,742 rural green cards, 1,98,312 of saffron colour and 1,26,955 urban photo cards. Since the formation of Udupi district, the detail of distribution of cards for the newly caused Dakshina Kannada district were as follows :

**Table 6.26 : Distributions of Ration Cards**

| Year             | Green Ration Cards |        | Saffron Cards | Urban Photo Cards | Total  |
|------------------|--------------------|--------|---------------|-------------------|--------|
|                  | Urban              | Rural  |               |                   |        |
| <b>2000-2001</b> | 1642               | 102706 | 128167        | 102602            | 335120 |
| <b>2001-2002</b> | 5153               | 69682  | 125052        | 99596             | 299483 |
| <b>2002-2003</b> | 5145               | 69516  | 128240        | 100437            | 303338 |

**Table 6.26(a) : Distributions of Ration Cards**

| Year           | Yellow Ration Cards |          | Anthyodaya Ration Cards |        | Saffron colour Cards | Photo Cards | Total    |
|----------------|---------------------|----------|-------------------------|--------|----------------------|-------------|----------|
|                | Urban               | Rural    | Urban                   | Rural  |                      |             |          |
| <b>2003-04</b> | 13,490              | 1,09,026 | 219                     | 10,437 | 1,26,141             | 98,929      | 3,58,242 |

Source : Department of Food and Civil Supplies, Mangalore.

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