CHAPTER – II

PROFILE OF
DAKSHINA KANNADA
AND UDUPI DISTRICTS
In the first chapter the study has been approached by discussing importance of SSIs in a developing economy, discussing the concept and definition of SSIs, development of SSIs during planning era and research methodology.

The present chapter gives a brief profile of twin coastal districts of Karnataka State namely Dakshina Kannada and Udupi in terms of geographical location, cultural features, climate and rainfall, demographic features, literacy level, marketing infrastructure and also in the light of their vast resources and potentialities they offer for the development of small scale industries.

PROFILE OF DAKSHINA KANNADA DISTRICT

Geographical Profile:
94D.K. district is situated on the Western coast of India, about half way between Mumbai and Cape Comorin. From North to South, it is a long narrow strip of land and from east to west, it is a broken low plateau which spreads from the western ghats to Arabian Sea. The major part of its length lies along the sea board. The area is intersected by many rivers and streams and presents a varied and most picturesque scenery. It has a most densely inhabited tract.

Location:
Dakshina Kannada district,95 popularly known as coastal district of Karnataka lies between 12° 27’ and 13° 38’ north latitude and 74° 35’ and 75° 40’ east latitude. It is about 177 kms in length and 40 kms broad at its narrow-west, and about 80 km at its widest part. The district of D.K is bounded on the north by Udupi district, on

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94 Karnataka State Gazetteer, South Kanara District, Chapter -1, P-1.
the east by Chikmagalur and Coorg districts. On the South by the Kasaragod district of Kerala state and on the west by the Arabian Sea.

**Administrative Divisions:**
For administrative purposes, the district has been subdivided into five taluks and two revenue sub divisions. The five taluks are Bantwal, Belthangady, Mangalore, Puttur and Sullia. The revenue sub divisions covering the taluks under their jurisdiction are: Puttur sub division comprising Puttur, Sullia and Belthangady taluks and Mangalore sub-division consisting of Mangalore and Bantwal taluks. There are 7 towns, 371 villages in the district (State : 27066 Villages).

**Cultural Features:**
The district is famous for its prominent pilgrim centres like Kateel, Kadri, Dharmastala, Subramanya and Mangalore. The district is also famous and known for its Gomateshwara statues constructed by Jains. Besides, there are a number of Jain basdis. A peculiar and unique feature of the district is Bootha worship or Bootharadhana - a kind of propitiation of spirits or deities. Likewise, the worship of Nagara (Serpent or Cobra) with typical “Naga mandala” (serpent dance) is performed with rituals. The district is famous for its yakshagana.

The prominent language spoken in the region is ‘Tulu’. Since majority of the people speak ‘Tulu’ as their language, it is also called ‘Tulu vanadu’ which has its own cultural heritage. There are good number of Konkani speaking people too. Other languages like Malayalam, Urdu, Hindi are also spoken.

**Climate and Rainfall:**
The climate of the district is tropical. The district enjoys a salubrious climate throughout summer, rainy and winter seasons. The district gets maximum rain fall in the entire state which is about 4,388 mm. (state rainfall : 11,940 mm). The climate is characterised by heavy rain fall and excessive humidity during greater
part of the year as the south-west monsoon lasts from June to October. Agricultural operations in the district are entirely relying on rain fall. Though there is a heavy rain fall, yet the rain is inadequate for the cultivation of traditional crops.

**Soil and Rivers:**
The soil can broadly be classified into two types: Sandy soil occurring along the narrow strip near the coastal line and laterite soil occurring in the remaining parts. The land is made up of alluvial formations. The soil is acidic in nature and deficient in lime, phosphate and other nutrients due to excessive leachings and as such it is suitable for growing paddy and plantation crops like coconut, arecanut, cashewnut, banana etc.

The important rivers of the district are Netravathi, Gurupur, Kumaradhara, Shambhavi and they are harnessed for lift irrigation purposes. These rivers are swollen during the monsoon season and get dried during summer, thus affecting agricultural operations adversely.

**Demographic features:**
As per the 1991 census population of the district was 16,56,165, of which 11,22,723 people live in rural areas. It is one of the most thickly populated districts in the state with the density of population of 340 per sq. km. Out of the total workforce of 6,78,981, cultivators constitute 92,662 (13.6%), agriculture labour 82,314 (12%), and 94,298 (13.8%) workers are engaged in cottage and small scale industries.

Beedi Industry has become a flourishing industry which provides a major source of livelihood to many of the households in the district.
**Education:**

The forward and western culture of the people in the district is basically due to high standard of education. There is a conscious feeling and awareness among the people that education is basically essential for all human endeavours. Therefore, a large number of students are enrolled in schools and colleges. The quality and standard of education that provided by the existing educational institutions are also high.

As per the available data the district has 1,653 schools, 50 colleges including technical and professional colleges which attract large number of students from other states and abroad. The district has a total student strength of over 4,08,103. The district has one prestigious university namely, ‘Mangalore University’. Many national and international scholars, leaders hail from the district. The male literacy level in the district is 84.88 as per 1991 census, where as female literacy level is 68.84 percent. It is delightful to note that recently, in 1998 the district has been declared as the first district in the state to achieve total literacy. Besides, majority of the educational institutions are in the hands of private educational trusts and these voluntary organisations have taken the initiative and responsibility for the development of education in the district.

**Transport and Communication:**

Mangalore, the Head Quarters of the district, is well connected by road, rail and air routes to all major cities in the south. In the field of road transportation, the district has a largest network of vehicle population per square kilometre in the state. It has 138363 motor vehicles registered as on 31-3-99. Besides, the district has a road length of 3580.37 kms, and 138.34 kms length of railway line. It has 441 post offices, 114 telephone exchanges and 95,415 telephones in use.
Further, it has a broadcasting station of All India Radio and a T.V. relay station. It also has a branch office of Infosys at Mangalore, the district headquarters. Thus, the transportation and communication system is also well knit in the district.

Marketing infrastructure:
Mangalore and Puttur are the main centres in the district. The district has 787 co-operative societies and 8 regulated markets. Besides, religious fairs, weekly and bi-weekly mandies, sandies are also popular in trading of food grains, pulses, vegetables, coir products, fish, fruits and coconut.

RESOURCES:
The main resources of the district are based on agriculture, horticulture, fisheries, sericulture and forests. Abundant vegetation, extensive forests, numerous grooves of coconut palms, areca plantations and rice field provide refreshing greenery to the district and also provide raw materials to the industries, besides fetching income to the people.

Agriculture:
Dakshina Kannada essentially an agrarian economy with more than 60 per cent of the population depending on cultivation for their livelihood. The agrarian character of the district may chiefly be attributed to the cultivation of paddy. Apart from paddy, other important cash crops like coconut, oil seeds, arecanut, cashewnut, cocoa, sugarcane and pulses are also grown and form the major source of income of majority of the families. Other crops like rubber and spices are also grown in small quantities.

As per the annual season and crop report of 1997-98, the area under major crops is 1,34,003 hectares. Of this area, 1,22,944 hectare is put under paddy cultivation. Agriculture is highly dependant on monsoon, irrigation is provided
through tanks and wells to a small extent. Further, agriculture is becoming more commercialized in recent days, the relative costs and prices of various crops tend to influence the acreage that the farmers are likely to put under each crop.

**Horticulture:**

Among the horticultural crops, cashewnut and coconut lead other crops. About 12,576 hectares of land is under coconut plantation and about 26,843 hectares is under cashewnut cultivation. Other important crops are arecanut (21,360 hectares), rubber (10,205 hectares), cocoa (1,070 hectares) and pepper (182 hectares).

Major fruits grown in the district are Banana (about 2,710 hectares) Mango (1,570 hectares), Jack (1,102 hectares). Other fruits grown in the district include citrus. Guava, Sapota and papaya.

**Fisheries:**

Fisheries is another most important income generating activity of the coastal people. The district has a coastal line of about 52 kms and accounts for more than one-third of the total fish catch in the state.

The coastal area is rich in Mackerel, oil sardine, shark, prawn, cod fish, corps, seer, shrimp, cat fish etc, which account for most of the fish catches. The coastal line offers good scope for marine based industries. Fish export is a profitable business of the district. The annual production of fish exceeds 54,484.5 tonnes valued at Rs. 6,931.65 lakhs (1998-99). At present there are 19 cold storages and 41 ice plants. Again, there are 5,180 fishing nets, 79 purseseines, 747 trawllers inaddition to 778 non-mechanised boats. The district also has 7 Boat Building yards and fishermen co-operative societies.
Sericulture:
In recent years, development of sericulture has gained momentum in this district. The industrial potentiality survey conducted by Small Scale Service Institute Bangalore, shows that the environment is conducive for sericulture. About 269 hectares of land is under the cultivation of mulberry. It accounts for 35,796 tonnes of cocoon production valued at Rs. 52.81 lakhs. There are 6 Chowki Rearing Centres, 2 Sericulture farms and one technical service centre. 935 farmers are engaged in sericulture occupation. Taluks like Bantwal, Puttur, and Mangalore are found favourable for the sericulture cultivation and as such produce majority of the cocoons.

Forests:
The district has a total area of about 1,28,277 hectares of forest land endowed with rich forest resources. The revenue from the forest produce is estimated at Rs. 120 crore per annum. The slopes of western ghats contain valuable timber like teak, rose, sandalwood, black wood, matri, maravu and jack and important minor forest products are bamboo, canes, cinnamon, cardamom, nutmeg, cashew, soapnut, catecher, and honey rubber. A large number of wood based industries like veneer manufacturing, plywood, saw mills, match splints and furniture packing cases have come into operation.

Live stock:
The district is not rich in livestock resources, being coastal district experiencing heavy rain fall. The cattle are small in size with low milk yield. The hides are small in size and of medium quality, the major portion of which is sent to tanners at Kasaragodu, Chennai and Bangalore, while a small portion is used by the village artisans. The department of Animal Husbandry and Veterinary Services plays a vital role in the live stock production, qualititative improvement in the animal grade and health care in the district. There are 7 veterinary hospitals, 22 veterinary
dispensaries and 53 primary veterinary centres in the district. Besides, there are about 103 poultry farms. The important live stock includes cattle (3,32,700), Buffaloes (88,500), Sheep (900), Goats (16,700) and Pigs (16,300).

**Mineral Resources:**
When compared to neighbouring districts, D.K. District is not endowed with rich mineral resources. However, the prominent mineral resources exploited are granite stones, lime shell, Silica sand and quartz and the minerals which are found but not exploited are Bauxite, low grade iron ore, Kyonite and Corrundum. Other minerals extracted in the district include building stones, sand and tile clay. There are a number of industrial units extracting and processing Silica sand, Granite stones, Building stones, Quartz and Mica.

**Tourism:**
Important religious centres and tourist spots which are not only famous in Karnataka state but also all over Southern India are located in D.K. district. These centres attract a large number of pilgrims and tourists throughout the year. Added to this, there are famous beach resorts which attract tourists not only from India but also from abroad. Pilikula nature amusement park, Ullal summer sand, Sultan Batheri and Surathkal beach are the important beach resorts and tourist centres in the district.

**Banking and co-operation:**
The banking scenario of the district has several unique features. The number of branches in the district is the highest to any of the districts in the country, barring the metropolitan centres. The district has given birth to four nationalised banks viz.: Canara Bank, Vijaya Bank, Corporation Bank and Syndicate Bank and one major private bank viz. : Karnataka Bank Ltd., contributing their mite in the herculean task of economic development of the country. As on 31-March 1999, the total number of commercial bank branches in the district stood at 287 with a total
deposit of Rs. 2,79,077 lakhs and a total loan of Rs. 1,18,893 lakhs. Apart from this there were about 11 Regional Rural Banks. 49 Urban and other co-operative banks and 5 branches of Karnataka State Agricultural and Rural Development Banks.

Thus, the district enjoys a vast network of credit and financial institutions including commercial banks which meet the financial requirements of trade, commerce, and industry.

**The people, culture, tradition and entrepreneurship in the district:**
The district of D.K. has got rich cultural heritage. The cultural assimilation has made the modern system of living very comfortable. A sizeable segment of the people were working abroad particularly in the middle east countries before the out break of Gulf crisis and as such the influence of gulf money has its impact on the standard of living of the people. The major castes found in the district are Brahmans, Gowda Saraswath Brahmins and Bunts. Gowda Saraswath Brahmins are the leading business community in the district. They are the brains behind the three nationalised banks viz. Canara Bank, Syndicate Bank and Corporation Bank and also other leading financial institutions in the district. They also own about 40 percent of the small scale industries in the district. They are generally considered to have strong family background, financial soundness, intuition and inclination for business enterprises with business talent.

The other communities of the district that have embarked on industry are Billavas and Mogaveeras. Billavas being traditionally toddy tappers are now engaged in activities of small scale industries. Mogaveeras pursue their basic traditional occupation as fishing. Thus, entrepreneurship development in the district is hereditary and also is from the traditional artisan skills. It mainly depends on the community and family background.
PROFILE OF UDUPI DISTRICT

Udupi district was carved out from Dakshina Kannada district on August 25, 1997. It is in the throes of transition from being a taluk to a district. This coastal district is one among the 27 districts of Karnataka state. As the district was a part of undivided Dakshina Kannada district, it's geographical features and resources are almost identical to that of Dakshina Kannada district. However, an attempt has been made to give a brief profile of this new district in the subsequent paragraphs.

Geographical profile:
Udupi district is situated on the Western coast of India. It is a broken low plateau which spreads from the Western Ghats to Arabean Sea. The geographical area of the district is 3,575 Sq. kms. Abundant vegetation, extensive forest, numerous groves of coconut palms along the coast line and paddy fields provide a refreshing greenery to the district.

Location:
Udupi district, popularly known as coastal temple city of Karnataka lies between 12° 59', 40" and 13°, 48' 50" latitude and 74° 34' 45" to 75° 12' 20" longitude. The district is bounded on the north by Uttara Kannada district, on South by Dakshina Kannada district, Shimoga and Chickmagalur districts in the East and Arabean Sea in the West.

Administrative Divisions:
For administrative convenience the district has been divided in to three taluks and one revenue sub division. The three taluks are Udupi, Kundapura and Karkala. The district is divided into 9 hobalies, 8 towns, 146 grama panchayats and 268 villages.
Cultural Features:
The district is known for its pilgrim centres like Udupi Krishna temple, Kateel, Kollur, Kaup, Hattiangadi, Anegudde etc. Besides, Bhootha Worship and Nagamandala is performed with rituals. The district also has a folk performing centre at Udupi. There are a number of Jain basdis at Karkala. The prominent language spoken in the region is Tulu. There are good number of Konkani speaking people too. Other languages like Malayalam, Urdu, Hindi are also spoken.

Climate and Rainfall:
The district enjoys a salubrious climate throughout summer, rainy and winter seasons. The district has a normal rainfall of about 4,119 mm. with an actual rainfall of 4,535 mm during 1998. During greater part of the year the district experiences heavy rainfall and excessive humidity. Agriculture is mostly dependent on rainfall. Inspite of heavy rainfall, the rain is inadequate for the cultivation of traditional crops.

Soil and Rivers:
The soil in the district can be classified as Sandy soil and laterite soil. The land is made up of alluvial formations. The soil is acidic in nature and deficient in lime, phosphate. This quality of soil is suitable for paddy and plantation crops like coconut, arecanut, cashewnut, banana etc. The important rivers in the district are Suvarnanadi, Udyavara hole, Seetha nadi, Varahi which are harnessed for irrigation purposes.

Demographic Features:
A review of demographic features of the district reveals that the population of the district, as per 1991 census stood at 10.38 lakhs of which 4.86 lakhs are males and 5.51 lakhs are females. Rural population constitutes 8.08 lakhs and Urban 2.29
lakhs. It is one of the most thickly populated districts in the state with the density of population 290 per sq. kms. Out of the total work force (4.33 lakhs) cultivators constitute 1.26 lakhs (29.09%), agricultural labours of 96,565 (20.91%) and 43,263 (9.99%) workers are engaged in cottage and small scale industries. The district has a female sex ratio of 1,134 females per 1,000 males.

**Education:**

The district has developed educationally. There is a conscious feeling among the people that the education is basically essential for all human endeavours. The quality and standard of education provided by educational institutions are very high. It has a literacy rate of 74.47 percent as per 1991 census of which male literacy rate accounts for 83.58 percent and female, 66.64 percent. There are 846 primary schools and 184 high schools, 55 pre-university colleges, 23 colleges imparting general education in the district. Besides, there are 2 engineering colleges, 2 medical colleges (including Ayurveda), 4 polytechnics. The district has a total student's strength of 2,43,769. The educational institutions impart education not only to the students of the area but also to the students coming from other states and abroad. The district has a deemed university viz. Manipal Academy of Higher Education (MAHE) situated at Manipal. Many national and international scholars and leaders have hailed from the district.

**Transport and Communication:**

Udupi being the Head Quarters of the district is well connected by road and rail routes to all major cities in the south. It has 55,191 motor vehicles as on 31-3-1999. Besides, the district has a road length of 2,214 kms and 106 kms length of railway line with 8 Railway stations. It has 366 post offices, 83 telephone exchanges and 50,151 telephones in use. Further, it has a Television Relay station and Zeeta Infosys internet facility. Thus, transportation and communication system is also well knit in the district.
**Marketing infrastructure:**

Udupi, Kundapura and Karkala are the main business centres in the district. The district has 470 co-operative societies and 5 regulated markets with annual turnover of Rs. 101.45 crore. Further, religious fairs, weekly and bi-weekly mandies, sandies are also popular in trading of food grains, pulses, vegetables, coir products, fish, fruits and coconut.

**RESOURCES:**

Resources of the district consists of agriculture, horticulture, fisheries, sericulture, floriculture and forests. Abundant vegetation, extensive forests, numerous grooves of coconut palms, areca plantations and rice field not only provide refreshing greenery to the district but also provide raw materials to the industries.

**Agriculture:**

In the area of agriculture, paddy cultivation forms the main crop activity. The important agricultural crops are paddy, coconut, cashew, sugarcane, rubber, pulses etc. The number of land holdings in the district is at 1.47 lakhs. It has also got an irrigated land area of about 33,344 hectares. About 68,699 hectares of land is under cultivation of paddy. According to the annual season and crop report of 1997 - 98, the district possesses about 1,46,900 hectares of total crop growing area. Agriculture is highly dependent on monsoon. Irrigation is provided through tanks and wells to a small extent.

**Horticulture:**

The leading horticultural crops in the district are cashewnut and coconut. The total area under horticultural crops is 41,160 hectares. About 12,888 and 17,794 hectares of land is under the cultivation of coconut and cashewnut respectively. The other important horticultural crops are arecanut (3,367 hectares), rubber (2,188 hectares), cocoa (98 hectares), sesamum (468 hectares).
The major fruits grown in the district include Banana (994 hectares), Mango (1,257 hectares), Jack (872 hectares), Sweet Potato (670 hectares), Pine Apple (171 hectares), Topioca (74 hectares), Beetle Leaves (112 hectares) and Pepper (207 hectares).

**Fisheries:**
Fisheries is one of the income generating activities of the district. The district has a coastal line of about 105 kms. The annual production of fish exceeds 58,710 tonnes valued at Rs. 6,030 lakhs (1998 - 99). At present there are 9 cold storages, 59 ice plants. There are 9,236 fishing nets, 132 purseseines, 1,011 Trawlers etc. There are 2,904 mechanised fishing boats and non mechanised boats account for 2,380.

The coastal area of the district is rich in mackerel, oil sardine, shark, prawn, cod fish, shrimp, cat fish etc., which account for the most of the fish catch. The coastal line offers good scope for marine based industries. Fish export is a profitable business of the district.

**Sericulture:**
The industrial potentiality survey conducted by Small Industries Service Institute (SISI), Bangalore, disclosed that the environment is conducive for sericulture. About 205.39 hectares of land is under the cultivation of mulberry. It accounts for 28.57 tonnes of cocoon production valued at Rs. 48.57 lakhs. There are 6 chowki rearing centres, 2 technical service centres. 583 farmers are engaged in sericulture occupation in the district.

**Forests:**
The district has about 99,201 hectares of forest land endowed with rich resources. 48,422 hectares of land is covered under trees and groves. The chief timber and wood species are teak, rose, sandal wood, matti, Banapu, Jack and important minor...
forest products are nutmeg, Cashew, canes, Cinnamon, soapnut etc. A large number of wood based industries have been using forest produce as raw materials.

**Live stock:**
The development of animal husbandry and veterinary services play a vital role in the live stock production in the district. The district is not rich in live stock resources. There are 6 veterinary hospitals, 18 veterinary dispensaries and 55 primary veterinary centres. Besides, there are about 71 poultry farms. As per 1990 live stock census, the important live stock includes cattle (3,33,400), Buffaloes (94,700), Sheep (500), Goats (1,900) and Pigs (3,700).

**Mineral resources:**
The prominent mineral resources exploited are granite stones, lime shell, silica sand and the minerals which are found but not exploited are Bauxite, low grade iron ore. Other minerals extracted in the district include building stones, sand and tile clay. There are number of industrial units extracting and processing silica sand, granite stones, building stones and mica.

**Tourism:**
The district has many religious centres and tourist spots which are not only famous in Karnataka State but also all over Southern India. These centres attract a large number of pilgrims and tourists throughout the year. Added to this, there are famous beach resorts which attract tourists, not only from India but also from abroad. The important tourist centres are Saint Mary’s Island, Maravanthe Beach, Murudeshwara, Malpe Beach resort and T.M.A. Pai Planetarium at Manipal. Pilgrim centres are Kollur temple, Sri Kateel Durgaparameshwari and Anegudde Ganapathy temple.
Banking and Co-operatives:

The district has an excellent banking network. The district has given birth to one nationalised bank Viz. Syndicate Bank and a major private financial institution namely Industrial Credit and Development Syndicate Ltd., (ICDS) Manipal. As on 31 March, 1999, the total number of commercial bank branches in the district stood at 188, having a total deposit of Rs. 1,73,758 lakhs with a total loan of Rs. 55,334 lakhs. Apart from this, there are 11 Regional Rural Banks, 24 Urban Co-operative bank branches and 16 District Central Co-operative bank branches. There are also 3 Karnataka State Agricultural and Rural Development Bank branches catering to the needs of industrial units in the district.

The people, culture, tradition and entrepreneurship in the district:

This district has got rich cultural heritage. The major castes found in the district are Brahmins, Gowda Saraswath Brahmins, Billawas and Bunts. G.S.B. is the leading business community of the district. They own more than 40 percent of the small scale industries of the district. They are generally considered to have strong family background and financial soundness and adequate business talent.

The other communities of the district that have made a significant mark on industry are Billavas and Mogaveeras. Billavas being traditionally, toddy tappers are now engaged in activities of small scale industries. Mogaveeras are engaged in traditional occupation as fishing. Thus, entrepreneurship development in the district is hereditary and mainly depends on the community and family background.  

96 Udupi District at a glance, Government of Karnataka, Published by District Statistical Officer, Udupi District, 1998-99.
AGENCIES / INSTITUTIONS TO PROMOTE SSIs IN THE DISTRICTS:
In tune with the agencies and institutions set up for the promotion and development of SSIs at national and state level, a number of such institutions were also set up at district level. They are, District Industries Centre (DIC), District Small Industries Development Corporation, (DSSIDC), District Small Industries Marketing Corporation, (DSIMC), Karnataka State Financial Corporation (KSFC), Small Industries Service Institute (SISI) and Technical Consultancy Services of Karnataka (TECSOK).. At this stage it is pertinent to discuss briefly the role and performance of these institutions in the promotion and development of SSIs in the study area.

District Industries Centre (DIC):
Multiplicity of institutions involved in the development of small industries and complicated system and procedures made the job of promoting the industrial unit an uphill task for the entrepreneur of small units. Hence, it was felt necessary to establish a development agency which could provide all the services and facilities to small industries under single roof. Accordingly, the DICs were established in May 1978 in order to cater to the needs of small units. DIC caters the needs of SSIs through selection of projects, identification of entrepreneurs, registration, assistance to procure raw materials, assistance to get subsidies and arranging training programme for entrepreneurs. Over a period of time initial enthusiasm in the functioning of DICs has vanished and they are, in many cases, being reduced as bureaucratic organisations. Therefore, the Abid Hussain Committee in 1995 recommended for the transformation of these DICs in to District Enterprise Promotion Agencies (DEPA) with much greater participation of industrial organisations and associations.

The performance of DICs of D.K and Udupi districts can be measured in terms of their achievements over last five years with the help of the following table 2.1.

**TABLE 2.1**

**PERFORMANCE OF DICs IN DAKSHINA KANNADA AND UDUPI DISTRICTS**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Year</th>
<th>D.K. District</th>
<th>Udupi District</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of SSI units Registered During the Year</td>
<td>Investment (Rs. in lakhs)</td>
</tr>
<tr>
<td>1</td>
<td>1995-96</td>
<td>816 (+86)</td>
<td>3217.18</td>
</tr>
<tr>
<td>2</td>
<td>1996-97</td>
<td>984 (+20.58)</td>
<td>4153.00</td>
</tr>
<tr>
<td>3</td>
<td>1997-98</td>
<td>1884 (+47.77)</td>
<td>6305.00</td>
</tr>
<tr>
<td>4</td>
<td>1998-99</td>
<td>757 (-40.18)</td>
<td>2560.00</td>
</tr>
<tr>
<td>5</td>
<td>1999-2000</td>
<td>766 (+1.18)</td>
<td>2657.72</td>
</tr>
</tbody>
</table>

Note: Figures in the parenthesis indicate percentage of increase/decrease over previous year.


From the analysis of the Table 2.1, it could be observed that the performance growth of DIC of Dakshina Kannada district was excellent during 1995-96 (86 percent). However, it showed a poor performance (20.58 percent) during 1996-97. This could be due to nonviability of the units and competition from large units. Again during 1997-98 it registered a commendable growth (47.77 percent). It showed a negative performance during 1998 – 99 (-40.180) and during 1999 – 2000 the performance growth of DIC though was positive was not impressive. This may be due to the liberalisation policy of the government.
The performance growth of DIC of Udupi district showed a spectacular growth of (442.32 percent) during 1997-98. However, this trend reached an all time decrease (14.04 percent) during 1999-2000.

On the whole, it could be observed that the performance growth trend of DICs in Dakshina Kannada and Udupi districts was found to be moderate except during 1997-98.

Further, over 673 entrepreneurs were imparted training programme during 1994-95 and 240 during 1998-99. The number of entrepreneurs who were imparted training programme during 1999-2000 was 40, which is far less than the previous year.

**District Small Industries Development Corporation (DSSIDC):**
This institution\(^\text{98}\) caters to the needs of SSIs at district level. It provides infrastructural facilities, procures and supplies raw materials and also provides technical support and assistance for SSIs in the district area. It has developed and constructed 372 sheds and allotted 339 sheds in D.K. district. In Udupi District, District Small Industries Development Corporation has developed and constructed 113 sheds and allotted about 97 sheds in various industrial estates as on 31st Aug., 2000.

Further, Karnataka Industries Area Development Board (KIADB) has proposed four new industrial areas in places like Balakalavara in Mangalore taluk, Madanthyar in Belthangady taluk and Kemminje and Aryapu in Puttur Taluk in D.K. district.

**District Small Industries Marketing Corporation (DSIMC):**

Small Industries Marketing Corporation renders marketing service at district level. It ensures 15 percent price purchase preference for the products of SSI units. It also participates in various tenders. It organises VISWA training programme in association with other agencies in the district. It deals with the purchase and sales of both VISWA and non-VISWA products produced by SSIs.

The performance of DSIMC for the last four years is presented in the following table 2.2.

**TABLE - 2.2**

**THE PERFORMANCE OF DSIMCs IN D.K. AND UDUPI DISTRICTS**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Year</th>
<th>VISWA</th>
<th>Non-Viswa</th>
<th>Total</th>
<th>VISWA</th>
<th>Non-Viswa</th>
<th>Total</th>
</tr>
</thead>
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<tr>
<td>3</td>
<td>1998-99</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.727</td>
<td>38.916</td>
<td>40.643</td>
</tr>
<tr>
<td>4</td>
<td>1999-2000</td>
<td>0.238</td>
<td>-</td>
<td>0.238</td>
<td>-</td>
<td>13.424</td>
<td>13.424</td>
</tr>
</tbody>
</table>

Source : Progress Report since 1996-97, DSIMC D.K district

Note : VISWA – Viswa Scheme, Government of Karnataka

Analysis of the above table 2.2 reveals that during 1996-97 DSIMC recorded a growth of Rs.13.157 lakhs and Rs.47.713 lakhs of purchases and sales under its VISWA and Non VISWA programmes respectively. However, from 1997-98 onwards it showed a continuous decreasing trend in its performance. Therefore, it could be observed that the performance of DSIMC has not been satisfactory over the years.
Karnataka state Financial Corporation (KSFC):
The state financial corporations\(^{99}\) are operating as regional development banks for
the development of SSIs in their respective states in tandem with national
priorities. There are over 18 State Financial Corporations in the country up to the
end of March 1999. Sanctions to small scale sector aggregated Rs. 2,158.4 crore
forming 71.1 percent of its total sanctions, while disbursements at Rs. 187.3 crore
constituted 75.2% of the total disbursements.

SFCs in Karnataka sanctioned loan up to the end of March, 1999 Rs. 4,514 crore
while disbursements were 4,244.7 crore for SSIs in the state.

State financial corporations in the study area with the change in the business
environment are providing financial assistance in the form of term loans and
working capital for SSIs. The recent performance of SFCs in these two districts
has been presented in the table - 2.3.

### TABLE - 2.3

PERFORMANCE OF SFCs IN D.K. AND UDUPI DISTRICTS

<table>
<thead>
<tr>
<th>Year</th>
<th>D.K. District</th>
<th></th>
<th>Udupi District</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of units</td>
<td>Sanctions</td>
<td>Disbursements</td>
</tr>
<tr>
<td>1997-98</td>
<td>381</td>
<td>2190.37</td>
<td>2055.06</td>
</tr>
<tr>
<td>1998-99</td>
<td>330</td>
<td>2251.81</td>
<td>2014.25</td>
</tr>
<tr>
<td>1999-2000</td>
<td>214</td>
<td>1743.25</td>
<td>1640.94</td>
</tr>
</tbody>
</table>


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From the analysis of the above table 2.3, it could be observed that there has been a decreasing trend in the performance growth of SFCs in both the districts over the period between 1997-98 and 1999-2000. This could be due to slow recovery of loans that were sanctioned to small scale units which are confronted with marketing problems.

*Small Industries Service Institute (SISIs)*:

This is yet another leading institute engaged in the promotion and development of SSIs in the country established in 1956. There are over 28 SISIs at national level, having 30 branches all over the country catering to the needs of SSIs. This institute at district level helps the SSIs in preparing project profiles, providing lab testing facilities for the products of SSIs, technical consultancy services, training facilities, Entrepreneurship Development Programme for the entrepreneurs, management of development projects etc. SISI situated at Mangalore has a chemical laboratory testing facility for the products of SSIs like oil and fats, soap detergents, cosmetics, toiletary and other allied products. Recently, in 1999-2000 it has helped in conducting taluk wise potentiality survey of SSIs and thereby furnished valuable information for further development of SSIs in the study area.

During the year 1999-2000 over 248 SSI units got benefited from workshop programme of SISI at a concessional rate of 50% of the cost of conducting workshop. It has conducted 18 demonstration programmes, 3 one week short term programmes involving 31 Entrepreneurs during the year 1999-2000.

TECSOK conducted recently industrial potential survey of SSIs in the Udupi district unearthing valuable information for the further development of SSIs in the district.

Further, there are a good number of non-governmental agencies that are engaged in the promotion and development of SSIs in the study area. Some of them are
Dakshina Kannada small and Tiny Industries Association, Canara Small Industries Association, Canara Chamber of Commerce and Rural Development and Self Employment Training Institute, Ujire at Dharmastala (RUDSETI), Karavali Printers Association, Science and Technology Entrepreneurs Park (STEP), Karnataka Regional Engineering College Surathkal and a number of industry wise associations in the study area.

Thus, having discussed the role and performance of various agencies and institutions engaged in the development of SSIs, there is an urgent need to restructure the method of functioning of these institutions in order to ensure a committed and effective role for the successful development of SSIs in the study area.

INDUSTRIAL ECONOMY OF DAKSHINA KANNADA AND UDUPI DISTRICT

Large and Medium Scale Industries and Industrial Estates:

Establishment and the development of large and medium scale industries in these districts has not been encouraging. There are 15 medium scale industries and 6 large scale industries employing 1,492 and 2,906 employees respectively in D.K district. The large scale industries are Mangalore Chemicals and Fertilizers Ltd. (MCF), Mazagaon Docks Ltd., Kudremukh Iron Ore Project, CAMPCO Chocolate factory, Mangalore Refinery and Petrol Chemicals Ltd., (MRPL) and Bharath Petroleum Corporation (BPL). Similarly, Udupi district has 11 medium scale and one large industry employing 1,905 and 82 employees respectively. Karnataka explosives located in Karkala taluk is the only large scale industry in the district. Besides, there are 465 factories operating in the district employing 34,315 persons. Important of them are textiles (1), Chemicals (16), Engineering (35) and others
Udupi district has 227 factories employing 14,569 persons. The factories are textiles (2), chemicals (8), Engineering (12) and others (205).

**Industrial Estates:**

At present there are five industrial estates in D.K district which are established by Karnataka State Small Industries Development Corporation (KSSIDC). The five industrial estates are situated in Yeyyadi, Baikampady, Puttur, Moodubidri and Karnad. It has also an industrial area at Baikampady. Similarly, Udupi district has three industrial estates situated at Manipal in Udupi, Karkala and Koteswara in Kundapur Taluk.

A general observation of industrialisation in D.K. district indicates a significant progress as a result of government intervention in terms of the sectoral shifts of employment in the district. The encouragement given by the government naturally contributed to the significant growth of modern SSIs in D.K. district.

District Industries Centre has been vested with the responsibility of promotion and development of SSIs in the district. The 14 fold categorywise SSIs representing different sector of industries, such as Automobiles, Electrical & Electronics, Food & Beverages and Mechanical Engineering present a curious pattern portraying the resource endowment in the district. The available data pertaining to number of SSIs registered in the district, its fixed investment and employment from 1994-95 to 1998-99 is presented in the following table 2.4.
TABLE - 2.4
GROWTH OF SSIs IN D.K. DISTRICT

<table>
<thead>
<tr>
<th>Years</th>
<th>No. of Units</th>
<th>Fixed investment (Rs. in Lakhs)</th>
<th>Employment (In Numbers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994-95</td>
<td>6,340</td>
<td>22,684.54</td>
<td>77,038</td>
</tr>
<tr>
<td>1995-96</td>
<td>6,808</td>
<td>24,845.86</td>
<td>80,101</td>
</tr>
<tr>
<td>1996-97</td>
<td>7,359</td>
<td>22,137.17</td>
<td>83,677</td>
</tr>
<tr>
<td>1997-98</td>
<td>8,137</td>
<td>27,693.58</td>
<td>87,655</td>
</tr>
<tr>
<td>1998-99</td>
<td>9,642</td>
<td>29,801.14</td>
<td>94,298</td>
</tr>
</tbody>
</table>


The growth of small scale units as indicated by the number of permanent SSI registration in the district is more pronounced from 1994-95. During the last three years i.e. between 1994-95 and 1996-97 the total SSI registration effected in the District Industries centre was 1,019. It shows that the growth rate was moderate. The growth of SSIs accelerated from 1996-97 onwards and the industrial activity has been speeded up and registration reached to a significant growth of 2,283 units between 1997-98 and 1998-99. Consequently, the total investment in fixed assets recorded Rs. 29,801 lakhs in 1998-99 for 9642 units employing a work force of 94,298 persons.

A study of taluk wise and category wise SSIs in the district will give clearer picture of industrialization in the area. Accordingly, Table 2.5 exhibits the taluk wise and category wise distribution of SSIs in the D.K district. The district has 9,642 small scale units. Mangalore taluk has the largest number of 5,291 units, followed by Puttur taluk with 1,497, Bantwal has 1,362 and other two taluks

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namely Sullia and Belthangady have 845 and 647 units respectively. The Food and Beverages category constitutes the largest with 1955 units followed by Jobwork and repairs with 947 units, mechanical engineering with 925 units and wood works with 779 units rank third and fourth respectively. The above facts can be presented in the following table 2.5.

TABLE - 2.5
TALUK WISE AND CATEGORY WISE SSIs IN D.K. DISTRICT

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Category</th>
<th>Taluks in Dakshina Kannada District</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Bantwal</td>
</tr>
<tr>
<td>1</td>
<td>Automobile</td>
<td>26</td>
</tr>
<tr>
<td>2</td>
<td>Ele. &amp; Electronics</td>
<td>36</td>
</tr>
<tr>
<td>3</td>
<td>Chemicals</td>
<td>25</td>
</tr>
<tr>
<td>4</td>
<td>Ferrous &amp; Non Ferrous</td>
<td>36</td>
</tr>
<tr>
<td>5</td>
<td>Food &amp; Beverages</td>
<td>355</td>
</tr>
<tr>
<td>6</td>
<td>Glass &amp; Ceramics</td>
<td>66</td>
</tr>
<tr>
<td>7</td>
<td>Job work &amp; Repair</td>
<td>136</td>
</tr>
<tr>
<td>8</td>
<td>Leather</td>
<td>48</td>
</tr>
<tr>
<td>9</td>
<td>Mech. Engineering</td>
<td>123</td>
</tr>
<tr>
<td>10</td>
<td>Paper &amp; Printing</td>
<td>44</td>
</tr>
<tr>
<td>11</td>
<td>Rubber &amp; Plastics</td>
<td>50</td>
</tr>
<tr>
<td>12</td>
<td>Textiles</td>
<td>119</td>
</tr>
<tr>
<td>13</td>
<td>Wood Work</td>
<td>157</td>
</tr>
<tr>
<td>14</td>
<td>Miscellaneous</td>
<td>141</td>
</tr>
<tr>
<td>15</td>
<td>Total</td>
<td>1,362</td>
</tr>
</tbody>
</table>

Source: Annual plan 1998-99 District Industries Centre Mangalore, Dakshina Kannada district.

INDUSTRIAL ECONOMY OF UDUPI DISTRICT:

Udupi district is one among the 27 districts of Karnataka State. It has three taluks namely Udupi Taluk, Kundapura taluk and Karkala taluk. Industrialisation in Udupi district is rather snail-paced. Non-availability of suitable land coupled with
power shortage has thwarted the process of industrialisation. Out of 5,643 units operating as on March 1999, 5,632 are small scale units.

The SSIs in Udupi district are classified into 14 categories. The fourteen fold category wise SSIs are Automobile, Electrical & Electronics, Food & Beverages etc. Food & Beverages units top the list in the SSI sector, mechanical engineering, wood works units rank second and third respectively. Cashew processing and granite industries have gained an importance as foreign exchange earners. Cashew Kernels are exported to USA, the Netherlands, Switzerland, Japan and West Asia. Further cashew, ceramics, minerals, tiles and units engaged in fish products seem to be very prominent ones supplying their products within and outside the country. These units are instrumental in effective utilization of the local resources.

A study of taluk wise and category wise SSIs along with employment in the district may give a clearer picture of industrialisation in the region. Table 2.5 exhibits the taluk wise and categorywise distribution of SSIs and their contribution to employment in the Udupi district.
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Category</th>
<th>Taluks in the Udupi District</th>
<th>Kundapura</th>
<th>Karkala</th>
<th>Udupi</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of Units</td>
<td>Employment</td>
<td>No. of Units</td>
<td>Employment</td>
</tr>
<tr>
<td>1</td>
<td>Automobile</td>
<td>35</td>
<td>151</td>
<td>32</td>
<td>231</td>
</tr>
<tr>
<td>2</td>
<td>Ele&amp;Electronics</td>
<td>32</td>
<td>100</td>
<td>34</td>
<td>106</td>
</tr>
<tr>
<td>3</td>
<td>Chemicals</td>
<td>21</td>
<td>142</td>
<td>16</td>
<td>96</td>
</tr>
<tr>
<td>4</td>
<td>Ferrous&amp;Non Ferrous</td>
<td>34</td>
<td>129</td>
<td>52</td>
<td>208</td>
</tr>
<tr>
<td>5</td>
<td>Food&amp;Beverages</td>
<td>590</td>
<td>5,046</td>
<td>557</td>
<td>7,586</td>
</tr>
<tr>
<td>6</td>
<td>Glass&amp;Ceramics</td>
<td>75</td>
<td>2,821</td>
<td>42</td>
<td>582</td>
</tr>
<tr>
<td>7</td>
<td>Jobworks &amp; Repairs</td>
<td>88</td>
<td>258</td>
<td>63</td>
<td>116</td>
</tr>
<tr>
<td>8</td>
<td>Leather</td>
<td>35</td>
<td>63</td>
<td>22</td>
<td>43</td>
</tr>
<tr>
<td>9</td>
<td>Mech. Engg.</td>
<td>100</td>
<td>420</td>
<td>92</td>
<td>412</td>
</tr>
<tr>
<td>10</td>
<td>Paper &amp; Printing</td>
<td>43</td>
<td>176</td>
<td>54</td>
<td>290</td>
</tr>
<tr>
<td>11</td>
<td>Rubber &amp; Plastics</td>
<td>40</td>
<td>180</td>
<td>48</td>
<td>275</td>
</tr>
<tr>
<td>12</td>
<td>Textiles</td>
<td>74</td>
<td>323</td>
<td>54</td>
<td>269</td>
</tr>
<tr>
<td>13</td>
<td>Wood works</td>
<td>125</td>
<td>524</td>
<td>140</td>
<td>636</td>
</tr>
<tr>
<td>14</td>
<td>Miscellaneous</td>
<td>187</td>
<td>942</td>
<td>128</td>
<td>1,108</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>1,479</strong></td>
<td><strong>11,275</strong></td>
<td><strong>1,334</strong></td>
<td><strong>12,015</strong></td>
</tr>
</tbody>
</table>


It can be seen from the above table 3.6 that Udupi taluk stands first in terms of number of SSIs with 2,819 units employing 19,989 persons followed by Kundapura taluk which shows relatively better growth with 1,479 units. Karkala taluk shows equally better growth compared to Kundapura taluk. However, Small Scale Units in Karkala taluk shows more employment creation with 12,015 persons employed although it has less number of units. It is mainly because of different
types of industries found in different taluks. Udupi taluk shows feature of fast growth of industries compared to other two taluks. It is also evident from the table that the Food & Beverages category is dominant. The other major types of SSIs are textiles, wood based and job work and repairs.

Karkala taluk\(^{101}\) is one of the major centres for cashew purchasing activity. There are about 25 units engaged in cashew processing activity. Some of the units are exporting, cashew and kernels to America, Netherlands, London, Switzerland, Japan and Gulf countries. The cashew processing units are suffering from shortage of raw cashew. They are getting imported from Africa and other cashew growing countries.

Udupi district, having more than 5,632, small scale units employing over 43,279 people is facing certain problems in the area of marketing besides finance and power. The general problems faced by SSIs are lack of adequate supply of raw materials, lack of sufficient demand, keen competition from large companies and products of multinationals and also competition from other small units. These industries are also facing problems of inadequate working capital facilities, lack of cold storage facilities etc.

Thus, we can observe from the above discussion that, in Dakshina Kannada and Udupi district the growth in the sector is quite impressive, but the development is not decentralised and it is a lopsided one. Inspite of vast resources and potentialities available, the district has remained industrially backward. It requires adequate policy measures and support of the government to develop this region industrially by tapping available resources and potentialities.

\(^{101}\)Industrial Potential Study of Udupi District, conducted by (TECSOK), Govt. of Karnataka Organisation, Unity Building, Millers Tank Road, Bangalore, March, 1999.