

C H A P T E R - 8

CONFLICT BETWEEN LEADERS OF CO-OPERATIVE FACTORIES1. INTRODUCTION

The founder and Chairman of Shri Panchaganga Sugar Factory, Mr. Ratnappa Kumbhar told that from 1980 Mr. P.B.Patil and his followers were politically against him. Mr. P.B.Patil built his house from election fund of Mr. Ratnappa Kumbhar.

Mr. Ratnappa Kumbhar is the founder of Kolnapur Zilna Soot Girani and he was Chairman upto 1975. Then in 1975 he gave a chance to Mr. Shamrao Patil as a Vice-Chairman of the Soot Girani upto 1979. In 1979, Mr. Shamrao Patil became Chairman of the Soot Girani and he is on this post upto this time. There was a political conflict between Mr. Shamrao Patil and Mr. Ratnappa Kumbhar from last four years, but from last year it has taken visible form. Mr. Shamrao Patil was supported by the directors of Shri Panchaganga Sugar Factory i.e. Mr. P.B.Patil, Mr. Dinkarrao Mudral, Mr. Nanasaheb Nadraker, Mr. Babasab Patil (Kumbhojkar), Mr. Shamrao Minche. The political leaders like Mr. B.S. Patil and Annasab Chougale joined to Patil against Mr. Ratnappa Kumbhar and the political conflict started.

Mr. Ratnappa Kumbhar had his follower Mr. Bhausab Patil, Natna Naik, Snivajirao Patil (who are directors of Panchaganga) and Mr. Kalappa Gat (Chairman, Panchayat Samiti Hatkanangale) and the political leaders like Dattajirao Bhatmare, Kaka Manajan, Prof. Annasab

Kwane. The conflict started between these parties and it affected the sugar factory and the Soot Girani.

The conflict between these two leaders is described in the present chapter which is based entirely on the news-paper cuttings. The details are presented in chronological order.

13th September 1987¹

All the board of directors of Panchaganga were invited at the factory on 15th September 1987 to celebrate 78th Birthday of Deshbnakt Mr. Ratnappa Kumbhar.

But Mr. P.B.Patil, Mr.Dinkarrao Mudrale, Mr.Shamrao Minche,Mr. Babasab Pirgonda Patil, Mr. Nanasab Nindarkar have not attended the function due to internal conflict.

30th November 1987²

The Public Relation Department of the Panchaganga Sugar Factory declared that the economic position of the factory is sound. The directors Mr.P.B.Patil and Mr.Dinkarrao Mudrale have purposefully misguided the shareholders and they are disturbing to the management of the factory. These directors are taking meetings of the shareholders misguiding that Mr. Ratnappa Kumbhar is spending factory money on his private matters.

4th December 1987³

The 8 directors of Panchaganga stated that Mr.Ratnappa Kumbhar, the Chairman of the factory managed the operations of the factory with the assistance of the Board of Directors.

Mr. Ratnappa Kumbhar has developed the economic position of the factory and there is no bad effects on the economic position of the factory.

20th December 1987 ⁴ ✓

The Chairman of Panchaganga gave thanks and gratitudes to shareholders of the factory and farmers of village Patankodoli, Vasagade, Hupri, Ingli and nearby villages. He further stated that all the members of factory have shown deep faith in management of factory.

23rd December 1987 ⁵ ✓

The Managing Director gave an advertisement about the 31st annual meeting of the sugar factory on 28th December 1987. He stated that only the shareholders of the factory can attend the meeting and the suggestions can be sent before 25th December 1987.

25th December 1987 ⁶ ✓

The Vice-Chairman of Panchaganga Mr. Dinkarrao Mudrale and the Director Mr.P.B.Patil announced that they will not attend the 31st Annual meeting and they have given an application for inquiry of the sugar factory from Government of Maharashtra, as the Chairman of the factory is managing the factory as his will and wish, and spending factory money for his private matters.

26th December 1987 ⁷ ✓

The meetings were organized by the Chairman of Sugar factory at Shirdhon, Hatakanangale and Nandni.

27th December 1987 ⁸

The shareholders meeting was arranged by Mr. Shamrao Patil. Mr.P.B.Patil and Mr. Dinkarrao Mudrale at Yadrav.

Mr. P.B.Patil told the effect of private life of Mr. Ratnappa Kumbhar on the factory and how he purchased the stationery from selected persons. We gave suggestions about facts in written but the Chairman did not act on it. Then we have taken decision about the conflict.

27th December 1987 ⁹

The Chairman told the shareholders that the Yadrav meeting will have no effect on the 31st Annual meeting. He has full confidence that the meeting will be conducted without disturbance.

30th December 1987 ¹⁰

The Annual meeting of Panchaganga Sugar factory was held on 28th December 1987. The Chairman made resolution that the meeting has cancelled the directorship of 7 members.

The Vice-Chairman Mr. Dinkarrao Mudrale stated that the by-law has no meaning in the co-operation laws. There is no specific rule to cancel the shareholder membership of Shri Shamrao Patil (Yadravkar) He further said that this kind of by-law created confusion amongst shareholders and these have no value.

3rd January 1988 ¹¹

The founder and Chairman of Panchaganga has thanked to the shareholders of the factory. He further said that out of 14500 total

shareholders, 12,000 attended the 31st Annual meeting of the Factory on 28th December 1987. Further he stated that the attendance of shareholders which is true fact has been a reply for the opposite directors.

9th January 1988 ¹² ✓

The Chairman of the Panchaganga Sugar Factory stated that his hands were clean. The economic position of the factory was satisfactory but the leaders from the Jain community wanted that the Chairman of the factory should be from them, because majority of the shareholders belong to Jain community.

The Chairman stated that most of the people from Jain community have faith in his leadership. Since 1980, Mr. P.B. Patil, Mr. Dinkarrao Mudrale were politically against him. He had given Chairmanship to Mr. Shamrao Patil for a long time, he and his followers collected money from illegal matters from Yadav mill.

9th January 1988 ¹³ ✓

Mr. P.B. Patil commented that the conflict was for the benefit of the shareholders. He was one of the nearest and close follower of Mr. Ratnappa Kumbhar. He told that from 1986, the amount of the factory has been used for private matters of the Chairman. In Soot Girani, consumers stores, and peoples' Co-operative Bank. If we think about the financial position of the institution, then there is illegal expenditure of Rs.2 crore and 32 lakhs.

They were spending money for the political purposes and amount is adjusted. They oppose expenditure for private reasons. There was no caste politics.

Further he reported that in the 31st Annual meeting of the factory, majority of people were non-shareholders.

6th February 1988 ¹⁴

Mr. Shamrao Patil put a question to Mr. Ratnappa Kumbhar that all the directors should agree to resign from Panchaganga and Girani. They should take opinion of the shareholders.

6th February 1988 ¹⁵

Mr. Ratnappa Kumbhar and the shareholders of the Girani gave the complaint to Chief Minister, Mr. Shankarrao Chavan against ^{Mr.} Shamrao Patil and few other directors along with Mr. Patil. The Chief Minister appointed ^{Mr.} V.B. Mahajan as a representative for the 24th Annual meeting.

7th February 1988 ¹⁶

The founder of the Girani Mr. Ratnappa Kumbhar, established it in 1964. The actual production was started in 1968. From 1968 to 1975 Mr. Ratnappa Kumbhar was the Chairman of the factory. Then late Murgandra Sultanpure was the Chairman and Shamrao Patil was Vice-Chairman from 1975 to 1979. From 1979 till now Shri Shamrao Patil is acting as a Chairman of the Girni. Mr. D.B. Mudrale, Mr. S.B. Patil, Mr. D.T. Patil, Dr. S.K. Patil and the Chairman of the Soot Girani Mr. Shamrao Patil and others from Girani were against Mr. Ratnappa Kumbhar.

In annual meeting of the sugar factory held on 28th Dec. 1987, Mr. Ratnappa Kumbhar cancelled the membership of Mr. D.B. Mudrale, Mr. P.B. Patil and total 7 directors of sugar factory and Mr. Shamrao Patil as a shareholder of the factory.

Mr. Ratnappa Kumbhar organized three meetings at Hatkanangale, Icnalkaranji and Shirdnon of the shareholders of the Girani. He told about the corruption in the Girani and the private life of Mr. Shamrao Patil and his followers. But Mr. Shamrao Patil denied the arguments of Mr. Ratnappa Kumbhar.

14 directors of the Girani were with Mr. Shamrao Patil and only 4 directors were with Mr. Ratnappa Kumbhar.

9th February 1988 ¹⁷

In 24th Annual meeting of the Girani on 8th Feb. 1988, it was for the first time in the history of Girani that Mr. Ratnappa Kumbhar sat in first rank on the stage. Within 3 minutes Mr. Shamrao Patil completed all the resolutions and the meeting was over. As soon as shareholders started throwing chappals towards the stage and started noise against Mr. Shamrao Patil who along with 14 directors left the premises of the Girani.

After that Mr. Ratnappa Kumbhar and his follower shareholders under the Presidentship of Mr. Ratnappa Kumbhar made the resolutions against those which were passed by Shamrao Patil. The parallel annual meeting of the Girani was successfully completed.

9th February 1988 ¹⁸

The Chairman of Girani gave a vote of thanks to shareholders for attending the 24th annual meeting.

10th February 1988 ¹⁹

In the 26th annual meeting Icnalkaranji Central Co-operative Consumers Stores, the Chairman Mr. Dinkarrao Mudrale and other

directors left the meeting as the chappals were thrown towards them.

Then the Vice-Chairman Bandopant Kolnapure, under his Chairmanship passed the resolution about cancellation of the membership and shares of Mr. Dinkarrao Mudrale, Rambhau Jagtap, and Gopalrao Kulkarni.

16th February 1988 ²⁰

The Chairman Mr. Ratnappa Kumbhar appointed new sub committees on 9-1-1988. The Bombay Co-operation Court have made these permanent under which Mr. P.B.Patil, Lift Irrigation Committee Chairman, and Mr. Dinkarrao Mudrale Construction Committee Chairmanship were removed from these posts.

17th February 1988 ²¹

In Ichalkaranji, All Party political leaders and Manila Daxa Association gave their resolution about absence literature regarding women to the Chief Minister Mr. Shankarrao Chavan.

4th March 1988 ²²

The cooperation appellate Court has given a decision that all the sub-committees of Panchaganga were legal. Against these committees Mr. D.B.Mudrale, Mr.P.B.Patil and other directors filed a case in Zilha Cooperation Court. The Court declared that the new committees are not legal.

Then Mr. Ratnappa Kumbhar made an appeal in Bombay Co-operation Appellate Court. The Court have given decision that all new committees were legal.

8th March 1988 ²³

Mr. Shamrao Patil, Chairman of Girani declared that the functions of the factory and financial position are satisfactory and 14 directors were performing satisfactory role.

But Mr. Ratnappa Kumbhar is giving false statement about the Girani. For the security of the factory, the demand of police force has been made.

16th March 1988 ²⁴

Mr. Ratnappa Kumbhar stated that in the annual meeting of the Girani Mr. Shamrao Patil walked out without completing the meeting and then he took a parallel annual meeting. But the Govt. representative Mr. U.B. Mahajan gave a report that only Mr. Shamrao Patil's meeting was held at the Girani and there was no other meeting.

The Commissioner of Co-operation, Govt. of Maharashtra stated that the 24th annual meeting was legal and there was no parallel meeting of Mr. Ratnappa Kumbhar.

27th March 1988 ²⁵

Mr. Ratnappa Kumbhar and his leaders organized the public meeting at Shirdhon. In the meeting they declared that the government should appoint an Administrative Officer and the present directors of the Girani should be removed from their positions.

30th March 1988 ²⁶

The Chairman of the Girani said that the workers of the Girani were working. But Mr. Ratnappa Kumbhar's representative director

Mr. P.M.Patil reported that the workers were on strike and they were not attending the work.

1st April 1988 ²⁷

The Girani was not functioning. Out of the total workers of 2700 about 2500 workers were not doing their work and only 60 to 70 workers were at work.

The departments like Ringframe, drawframe, comber and carding, blow room section were not functioning and only the winding department was in operation.

But Mr. Shamrao Patil declared that the factory was functioning and the workers were attending their work.

4th April 1988 ²⁸

The Managing Director gave a notice to those workers who were absent from 16-3-1988 to 27-4-1988. According to payment of wages act, the wages of the workers can be deducted from their wages. This is right to the factory. Therefore, the workers should send their opinion within four days.

5th April 1988 ²⁹

Mr. P.B.Patil announced that there should be an enquiry within a week of Panchaganga, Janata Consumer, and Peoples Cooperative Bank. The Purchase Superintendent Mr. M.J.Patil expired and Mr. Ratnappa Kumbhar is responsible for his death. Mr. Ratnappa Kumbhar is involved in the corruption of Rs.1 crore and 32 lakhs from these institutions.

6th April 1988 ³⁰ ^

The Director and Chairman of Construction Committee, Panchaganga Sugar factory gave a news that there was no enquiry of sugar factory, Peoples Cooperative Bank, Janata Consumers Stores and Panchaganga Workers Society. From last 6 months Mr. P.B.Patil and Mr. Dinkar rao Mudrale, Mr. Shamrao Patil were misguiding the shareholders. The statements about the purchase were not true.

The death of Mr. M.J.Patil, Purchase Superintendent was natural and Mr. Ratnappa Kumbhar was not responsible for his death.

8th April 1988 ³¹ ^

The Minister for Co-operation, Mr. Vilasrao Deshmukh announced in Vidhan Parishad that he had given order to make an enquiry of Panchaganga and Warana Sugar Factories.

11th April 1988 ³² ^

The meeting in between Mr. Shamrao Patil's party and the member of Parliament Mr. Balasaheb Mane's party, and this was the mutual adjustment between these parties in opposition to Mr. Ratnappa Kumbhar

11th April 1988 ³³ ^

The Chairman of Shirol Panchayat Samiti Mr. Parkish Patil and other three political leaders started "Uposhan" for the appointment of the Administrative Officer and cancellation of the board of directors of Soot Girani.

The decision was taken in public meeting at Ganganagar under the Chairmanship of Mr. Kalappa Gat. Mr. Ratnappa Kumbhar gave guiding speech to the workers and shareholders.

21st April 1988 34

Mr. Shamrao Patil, Chairman of Soot Girani and Managing Director Mr. G.V.Kumbhar declared that all the workers are willing to work but they are afraid and they are not attending their duties. These workers have sent letters to the Chairman and Managing Director. The management have decided to provide security and vehicles for attending the work and returning home.

22nd April 1988 35

The Collector of Kolhapur announced 37 'Kalam' in Shirol and Hatkanangale talukas.

22nd April 1988 36

When the workers of the Girani were returning their homes, after the 2nd shift, the cilly powder was thrown in their eyes. The Police Inspector arrested 11 people and a jeep driver.

23rd April 1988 37

The Public Relation Officer of the Panchaganga Sugar Factory said that the board meeting was on 22-4-1988 and there are no locks to the gate and meeting hall doors.

23rd April 1988 38

The Chairman of Kamgar Union (INTUC) Mr. Sukhadev Jadnav and Vice-Chairman Mr. Bapu Kokate announced that the Chairman, Managing Director were not giving good treatment to the workers. They have not paid salary of March month and appointed new trainee workers.

26th April 1988 ³⁹ ^

Majority of the workers of Girani were absent. Therefore, there was loss of Rs. 50,000/- per day. The total workers in Soot Girani were 2700 but only 1700 workers were in production activities.

27th April 1988 ⁴⁰ ^

Mr. Dinkarrao Mudrale organized a meeting in which Mr. P.B. Patil, Mr. Shaurao Patil, Mr. Anna Shantapa Chougule were present. They have decided Uposhan in the premises of Panchaganga.

1st May 1988 ⁴¹ ^

The Labour Court gave the decision that no new workers can be appointed and who were working in the Girani cannot be removed or retrenched.

1st May 1988 ⁴² ^

The stones were thrown on a jeep at Majarewadi, Tal. Shirol. The Police Inspected ^{and} arrested four persons of Mr. Ratnappa Kumbhar's party.

3rd May 1988 ⁴³ ^

Mr. Ratnappa Kumbhar said that the strike was for the benefit of shareholders and workers. This was necessary for making true fact of the Girni open.

4th May 1988 ⁴⁴ ^

The Chairman of Girani told that no workers of the factory will be retrenched from his work.

6th May 1988 ⁴⁵ ✓

The Commissioner of Sugar, Poona gave decision regarding Director of Panchaganga that the membership and directorship will be as it is.

9th May 1988 ⁴⁶ ✓

The shareholders and workers of the Soot Girani have decided to block Poona-Bangalore High way.

10th May 1988 ⁴⁷ ✓

Mr. Shamrao Patil told that the Co-operative institutions are bound by the laws and rules. He said that opposite party members are making obstruction to workers and trying to stop them on high-way roads.

14th May 1988 ⁴⁸ ✓

The Chairman of workers union Mr. Suknadev Jadnav and Vice-Chairman Mr. Bapu Kokate, Soot Girani workers union declared that the Court has given next date of 6th June 1988.

They further told to the workers not to believe on Mr. Shamrao Patil's speech and notice in news papers as they are misguiding the workers.

27th May 1988 ⁴⁹ ✓

The Kamgar Union leader, Mr. Mohan Prabhavalkar and Parkish Pishte said that the Labour Court heard two sides on 13-5-1988 and 20-5-1988 and ordered that the workers should present on their duty within 48 hours. The management welcomed this Court order.

4th November 1988 ⁵⁰ 1

The Commissioner of Sugar, Maharashtra State, gave a notice to the Chairman and Directors of Shri Panchaganga Sugar Factory to explain about following irregularities.

- 1) The management can keep Rs. 50,000/- for daily expenditure. The factory has daily expenditure of Rs.2 to 4 lakhs. But the management from last three years have kept Rs.40 to 50 lakhs in hands which is against the rule.
- 2) The Register of Board of Directors is changed and on many papers fake signatures have been made.
- 3) The Chairman has authority to spend Rs.5,000/- on advertisement per year but the Chairman has spent Rs.2 lakhs to 2.50 lakhs per year.
- 4) The Sugar Factory got Rs.25 lakhs in 1984-85, Rs.29 lakhs in 1985-86 and 38 lakhs in 1986-87 from the development fund. The amount is deducted from the bills of producer shareholders. This amount was spent as donations to different institutions and persons without permission of Sugar Commissioner of Maharashtra State.
- 5) The Chairman gave 5 increments to the workers at the time of his 77th Birthday.

The Commissioner of the Sugar has asked the explanation of the above matter from all the Directors and Chairman of the factory.

12th November 1988 ⁵¹ 1

On 30th Crushing season of Sugar factory, Mr. Ratnappa Kumbhar, Chairman of Sugar factory, announced that the financial position of

the sugar factory is sound. The sugar factory is running perfectly.

Mr. P.B. Patil and Mr. Dinkarrao Mudrale have no right to speak morality because their directorship has been cancelled according to rules.

And he further told that those who say that the functions of the factory are not appropriate. "They are mads and they must sent to the mental hospital".

On this background it may be noted that "Members controlled co-operatives are generally managed by leaders elected by their shareholders. There is no easy formula to ensure the emergence of honest and efficient leaders. To a certain extent leadership is a matter of culture, tradition and history. Favourable conditions may throw up reasonably good leaders. Able leaders may come forward if the co-operative provides sufficiently attractive rewards, not necessarily in terms of money but in terms of prestige, status and power. It would be unrealistic to expect leaders to invest their time and energy in the work of the co-operative, if there were no worthwhile rewards. It is equally important to device checks against possible abuse of power by leaders, most co-operative founder on the rock of corruption."⁵²

Apart from this "the temptation to profit at the cost of the organisation appears to be too powerful for leaders to resist easily. One of the well established checks is to institute a regular and timely audit system by an independent and reliable authority. But a more effective check on the abuse of power is vigilance by the members.

and leaders themselves. Healthy rivalry among the leaders to gain control over the co-operative could be ensured that leaders who are in the opposition keep a watch on the actions of those who are in power, and this can act a great deterrent to the abuse of power.⁵³

Thus the conflict between two leaders has created tensions in Ichalkaranji and surrounding areas. The conflict has also led to the formation of separate factions in the villages of Shirol and Hatakanangale Talukas. These factions are supporting either Kumbhar or Patil.

The scene thus is disturbing in the field of co-operatives and it has been harmful to the movement in general.

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