

CHAPTER - I

HISTORICAL BACKGROUND AND CONTRIBUTION OF SHIRGAOKAR FAMILY IN UGAR SUGAR WORKS

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1 INTRODUCTION :

The present chapter deals with presentation of historical background of the Ugar Sugar works. An attempt has been made to analyse the factors which were responsible for the establishment of the factory.

2 UGAR-KHURD : LAND AND PEOPLE :

Ugar-Khurd is situated on the left bank of Krishna River in Athani Taluka of Belgaum District in Karnataka State. According to 1941 census its population was merely 1000. Due to the establishment of factory, population of Ugar-Khurd increased steadily. By 1971 census its population increased to 10,690 and recent census record of 1981 indicates its population increased to 14,390. Ugar-Khurd was an old sleepy village indistinguishable from thousands of similar group of dwellings.

"In historical periods, it had the stronghold of the Naik family who held 'Inams' in the surrounding area for Military services. The decendants of Naiks are still residing at Ugar. Some of the great sons of Ugar have made a great name for themselves in various fields of life like literature education, social and political spheres. To

mention a few great sons, the late Krishnaji Prabhakar Khadilkar, a well-known editor and dramatist and Nanasaheb Khadilkar, a social worker who was also a founder director of Ugar Sugar Works and Pandit Mahadeoshastri Divekar, owe their origin to Ugar-Khurd. In spite of all its former Military, Political and Social importance, Ugar-Khurd in 1930 was no better than any other surrounding villages its sons being farmers by profession and idlers by habit visiting their fields hardly not more than half a dozen times in a year."¹

3 LOCATION OF THE FACTORY :

The Ugar Sugar Works Limited, Ugar is located at Ugar-Khurd in Athani taluka of Belgaum District in Karnataka State. The location of Ugar-Khurd in Karnataka State is presented in Figure No.1. It is about 35 Km. from Athani, 105 Km. from Belgaum, 37 Km. from Sangli and 85 Km. from Kolhapur. The factory is in tropical zone climate. The average rainfall in this area is about 40 to 50 cms. The rainfall is generally spread over in four months from June to September. The maximum temperature is 40° c and minimum is 20° c.

The nearest Railway Station is Ugar-Khurd itself. It is on the line of Bangalore and Miraj. The factory site is 1 Km. from the Railway Station. The nearest Railway junction is Miraj which is 27 Km. from the factory. The

KARNATAKA STATE LOCATION OF ATHANI TALUKA

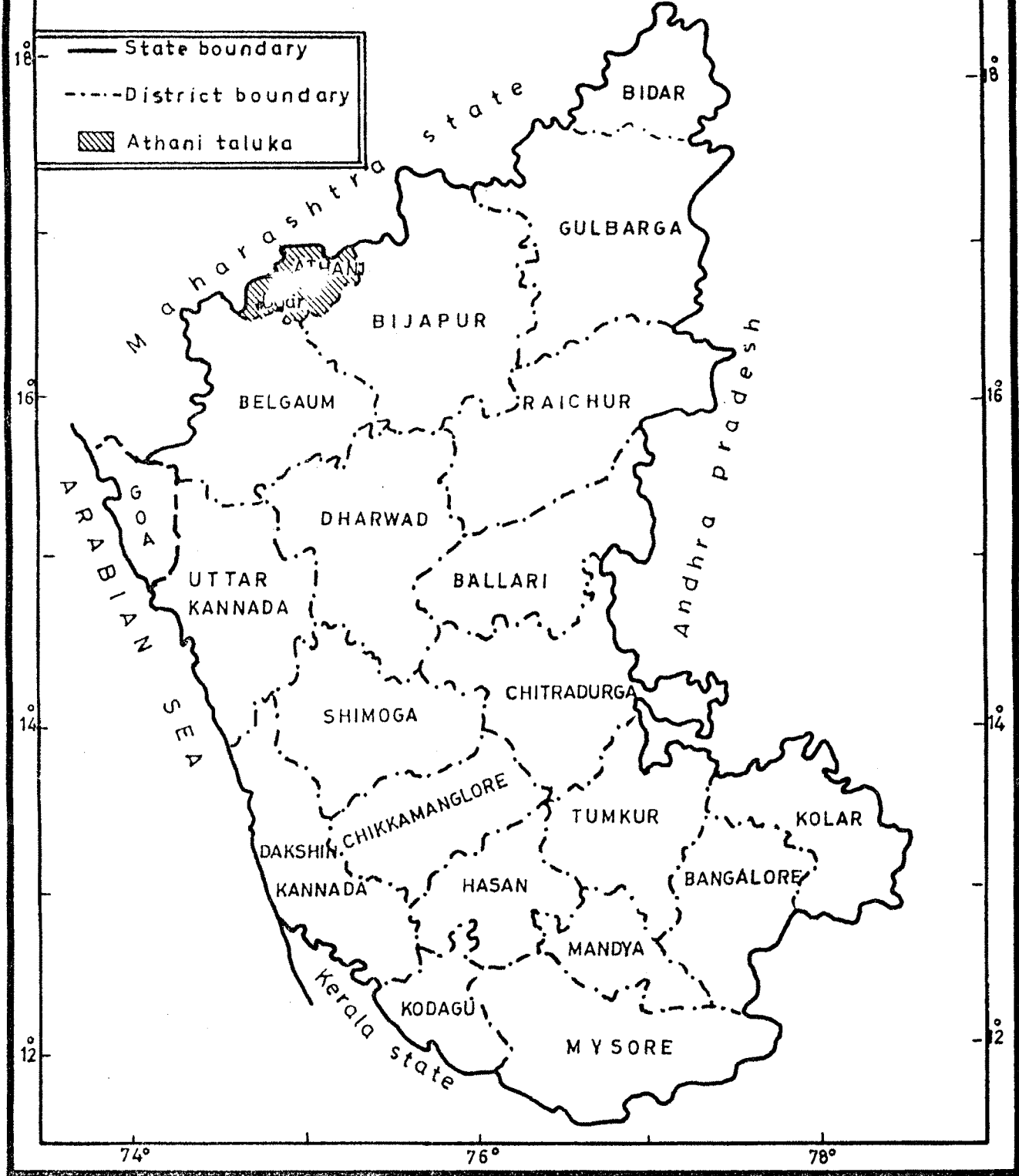


FIG. 1

Karnataka State Transport and Maharashtra State Transport Buses are also available from Ugar to Kagwad, Athani, Raibag, Chikodi, Belgaum, Bijapur, Miraj, Sangli, Kolhapur and Poona etc.

4 AREA AND LAYOUT OF THE FACTORY :

The area occupied by the factory is nearly 100 acres. It is conveniently near the road and Railway Station, so as to make the transport of goods and material easy. But generally factory transport is done by trucks. At the same time the factory is at safe distance from the Railway track so that there is no fire hazard from the flying live-cinders from Railway engines. The water requirement for the factory and men is met by the Krishna River. The factory is free from the flood water even when the river Krishna is fully in spate in rainy season. The photograph of Ugar Sugar Works and the dam across Krishna River is presented on page, 5.

5 SUGAR FACTORIES IN VICINITY :

Within the range of about 22 Km. there are two Sugar factories. One is the Raibag Sahakari Sakkare-karkhane Niyamit, Raibag and Shree Dudaganga Krishna Sahakari Sakkare Karkhane Niyamit, Chikodi. In 1987 there were seven sugar factories actually manufacturing sugar in Belgaum district. Belgaum District alone grows 65 % of the total sugarcane production of the Karnataka State and as this district is having more factories compared to other



"UGAR DAM ACROSS KRISHNA RIVER AND THE
UGAR SUGAR WORKS."

districts it has rightly been described as sugar district of Karnataka.

6 UGAR-KHURD ; CHANGE OF FORM :

"The story of the transpormation of this sleepy Ugar into a 'Sugar Ugar' and its rise from idleness to industry, from poverty to richness, from barrenness to fullness of fertility in a span of about half a century is the history of the Ugar Sugar Works Ltd. Its waste lands have become best lands growing various types of foodgrains sugarcane, fruits and flowers and the farmers have become active, efficient and effective citizens of the country, enjoying fully the advantages of a modern civilized life".²

7 IMPORT DUTY AND ITS EFFECT ON SUGAR INDUSTRY :

"The import duty was started in the year 1932 when the Government of India introduced the policy of encouraging the production of indigeneous sugar. This was accomplished by imposing a prohibitive Import Duty on Sugar brought into the country from places like Jawa and such other distant places which supplied sugar to India very cheaply. As one of the bye-products in the process of making sugar, molasses could be easily converted into liquor for human consumption and its manufacture enhanced the economic return in the sugar industry.

The imposition of an Excise Duty on sugar manufactured in India by the Government followed in due course.

Indian states were naturally free to impose and to collect a duty on the same scale from the manufacturers of sugar in their own territories. As the impost was likely to yield a considerable income, every State Government began its efforts to encourage industrialists to start such factories by giving them various facilities. As a result the State of Phaltan (now in Maharashtra) started a factory, soon after the announcement of the new policy of imposition of Sugar Excise, as lands in that State were fertile and getting full advantage of water from the Nira Canal by the flow method.

In Kolhapur and some of the Deccan States, sugarcane was one of the main cash crops which was grown by cultivators wherever a sufficient supply of water from wells or rivers was available easily. Although sugarcane was called the king of crops, like all other sorts of kings this king was also costly to maintain and needed constant attendance by the cultivators".³

The Deccan States, where the sugarcane was grown on a very small scale with water from wells, started thinking of establishing their own sugar factory so as to increase their income. Sufficient and fertile land was available, river water was plenty but how to lift the river water to irrigate the sugarcane was the great problem for rapid and extensive cultivation of sugarcane.

8 IRRIGATION FACILITIES ; KOLHAPUR SUGAR WORKS AND
CONTRIBUTION OF DR.S.R.SHIRGAONKAR :

In some of the districts of North Maharashtra the land could be irrigated directly by the flow method by means of canals fed from big dams. But it was not possible in the Southern parts of the State as there were no dams and no canals. The traditional method of lifting water for irrigation by use of bullocks and water wheels was very limited and its cost was on the increase. Hence the lift irrigation by mechanical means was the only solution to lift the water from the rivers to fields situated at considerable distances. This solution of the problem was found by the Late Dr.S.R.Shirgaokar.

"It is no exaggeration to say that the entire credit for the development of lift irrigation in the Indian Sugar Industry goes to Dr.S.R.Shirgaokar, who perfected the method of extensive sugarcane growing by lift irrigation. He had realized that the old method of raising water will never help the cultivators to grow money crops.

His solution of the problem was an adaptation of the method followed in some places in Konkan on small scale, namely, that of erecting water channels made of iron sheets, trunks of coconut trees on wooden stands (Pogar Lines). The water had to be raised to a height of even 25 to 30 feet above the ground level and it could then be conveyed

to lands at a distance of even miles through these channels. When Dr. Shirgaokar first tried his experiment in this direction at Ambewadi near Kolhapur, the farmers predicted an utter failure of this new method of carrying water for irrigation. In those days the use of diesel engines was new to the people. Therefore he laid the pogarlines at a height of 12 to 30 feet above the ground to irrigate the sugarcane in distant fields through these artificial canals.

His method was economically successful for supplying water to sugarcane. This is one of the important factors in the establishment of a sugar factory at Kolhapur. It was difficult to make the people realize the benefits and possibility of the method of Lift Irrigation and naturally traditional farmers were not taking interest in it. But in due course of time, the Pogarline method of watering fields was copied extensively by farmers in Kolhapur and the surrounding parts of the country, and large area of land was brought under the cultivation of cash-crop-sugarcane. Hence Dr. Shirgaokar was looked upon as the pioneer in the sugar industry in the southern part of Deccan. The Kolhapur Sugar Mills, a Public Limited Company, was enjoying certain amount of financial aid and some concessions from certain local and State taxes and in spite of this, it became a source of considerable income to the State Treasury and it also gave a fillip to agriculture and other allied industries in the State.

Messers Shirgaokar Brothers, a firm of which Dr. S.R. Shirgaokar was the leading member, were the Managing Agents of the Kolhapur Sugar Mills Limited and its initial success was the fruit of their sincere hard work, experience in industrial management and through mastery of the technical 'know how' of the sugar industry in its agricultural, chemical and mechanical aspects".⁴

9 UGAR SUGAR WORKS AND CONTRIBUTION OF THE SANGLI STATE :

"The success of the Kolhapur State in establishing a new sugar industry in its territory was felt to be worth being emulated by other states having perennial or semi-perennial rivers flowing through their territories and the question of earning a share in the Sugar Excise, if possible, was under their active consideration.

Sangli, which was one of the most advanced Deccan States, had the good fortune of being ruled over by an enlightened benevolent and saintly ruler like His late Highness Sir Chintamanrao Appasaheb Patwardhan, the Rajasaheb of Sangli, who was ably assisted in the performance of his duties as a ruler by his equally enlightened consort, Her Highness Shrimast Saraswatibai Patwardhan, Ranisaheb of Sangli".⁵

The river Krishna in its course flowed through the area of the Sangli State and it thus, was looked upon as capable of being able to sustain a successful sugar industry.

Accordingly efforts were being made by the Rajasaheb's Government to find suitable sites for locating sugar factory preferably in the vicinity of permanent stores of water sufficient to irrigate large area of land growing sugarcane by the flow or lift methods.

10 ESTABLISHMENT OF THE UGAR SUGAR WORKS :

Under the able guidance and kind patronage of His Late Highness the Rajasaheb of Sangli, a Public Limited Company called "The Ugar Sugar Works Limited" was floated on 11th September 1939 and was registered under Sangli State Companies Act. Its authorized capital was fixed at Rs.15,00,000/- of which shares worth Rs.10,00,000/- were to be issued in the beginning.

11 Ist BOARD OF DIRECTORS :

"Sir Moropant Joshi Kt.B.A. LL.B. former Home Member of C.P.Government Amaraoti, was the first Chairman of the Company, and the first directors were -

- 1) Diwan Bahadur K.V. Brahma B.A. LL.B. C.I.E. M.B.E., President, State Executive Council, Sangli.
- 2) Raosaheb G.T.Kunte, 2nd Councillor State Executive Council.
- 3) Seth P.B.Shah, Ugar Budruk.
- 4) Raosaheb A.N. Kalyani, Karad.
- 5) Shri Laxmanrao Kirloskar, Kirloskarwadi.
- 6) Shri S.P.Kothari.

- 7) Shri G.N.Gadgil
- 8) Shri L.K.Shah
- 9) Shri A.G.Jog
- 10) Shri V.G.Karmarkar
- 11) Shri P.R.Khadilakar
- 12) Shri D.R.Vaidya, Ex-officio
- 13) Shri P.H.Khadilkar, Co-opted,
all of Sangli.

The promoters of the Company appointed Messers Vaidya and company as the first Managing Agents of the concern, Shri Vaidya was a leading man of Engineering and was also a keen agriculturist.

The Managing Agents of the newly constituted company did the necessary work in making various preliminary surveys in the entire territory of the Sangli State for the selection of a proper place for the factory to be set up. Taking into consideration the various favourable features of Ugar-Khurd such as 1) the availability of sufficient supply of water and good foundation of hard black rock on the bank of the river for erection of machines, 2) proximity to Railway Station, 3) the ideal location for factory buildings, 4) the market for sugar in cities like, Belgaum, Nipani, Jamkhandi and Bijapur etc., 5) Suitability of soil for growing of sugarcane in plenty. It was finally Ugar-Khurd which was selected by the Managing Agents with remarkable foresight as the proper place for the proposed

factory.

The Rajasaheb and the Council of Ministers who aided and advised him in the administration of the State took very keen interest in the affairs of the company, right from the very beginning. In the initial stages Sir Moropant Joshi, Diwan Bahadoor, Shri K.V.Bramha and Shri B.N.De were some of the benefactors of the company who took a paternal interest in the well-being and successful working of the company.

As was expected, the Rajasaheb's Government granted concessions to the company by a) subscribing to the share capital to the extent of Rs.2,00,000/-, b) granting exemption from the levy of Royalty for water taken out of the river by it, c) allowing an income ~~tax~~ holiday for five years and charging only nominal non-agricultural assessment. Apart from the State concessions, the Rajasaheb and the members of his family purchased shares out of their Privy Purses".⁶

In brief we can say that factors like the availability of fertile lands to grow sugarcane, adequate and perennial water supply from the river Krishna, proximity to Railway line, large potentiality of market, enthusiastic farmers, availability of sufficient land area for the location of the factory coupled with illuminative insight and technical 'know how' of Dr.Shirgaokar and above all the foresight and benevolent assistance in cash and kind of the then Rajasaheb of Sangli State, H.H.Late Sir Chintamanrao Appasaheb Patwardhan, were instrumental in the establishment

of this prestigious sugar factory at Ugar-Khurd.

12 LIQUIDATION AVOIDED :

"The Ugar Sugar Works was established with the full support of the Sangli State. But the company's prospects did not attract general support from the investing public. In spite of the continuous efforts of the Managing Agents, the paid up capital did not exceed Rs.1,50,000/- . Hence the affairs of the company did not show any signs of success. The entire capital collected was exhausted for preliminary expenses. Unfortunately further funds were not forthcoming in spite of hard efforts on the part of Directors and the Managing Agents of the company at that time. Naturally, the Board of Directors were faced with two alternatives - going into liquidation or making the change in the Managing Agency.

The recorded minutes of the Board meeting held on 1st January 1941 make interesting reading. It was proposed by the majority of the Directors that the company should be liquidated but the two members of the Board - Shri Appasaheb Jog, a businessman of Sangli and Shri Kunte, a member of Sangli State Civil Service, strongly opposed the majority view. They maintained that the unfortunate state of the affairs of the company was due to the lack of confidence of the investing public in the Managing Agents who were neither experienced industrialists nor they were known to the public. The two directors strongly advocated a change in the Managing Agency. Their views were reluctantly accepted by all

and thus the company was given a chance to service, if possible".⁷

13 DR.S.R.SHIRGAOKAR TAKES CHARGE

While looking for more energetic and experienced Managing Agents for shouldering the responsibility of putting fresh life into the dying concern, attention was naturally attracted by the firm of the Managing Agents of the Kolhapur Factory - Messers Shirgaokar Brothers, who made the Kolhapur Sugar Mills an outstanding and notable success. Doubts were expressed in some corner as to the likelihood of Shrigaokar accepting the responsibilities of reviving a concern. The Board at last deputed a two-men committee consisting of Shri Jog and Kunte to Kolhapur to consider the possibility of the firm of Shirgaokar's accepting the management of the Ugar Sugar Works Ltd.

Shri Jog, gives a lively picture of a meeting and notes "when we drove in the car which met us at the Railway Station to the residence of Dr. Shirgaokar, the Doctor was sitting calmly with a grim face smoking his inseparable cigar. After the usual introductory exchanges, I asked him if he were willing to accept the Managing Agency of Ugar Sugar Works. He at once said 'yes' if you accept the same terms as those in the Kolhapur contract and extend the period of agreement to twenty years".⁸

After going through the necessary legal and other formalities, the Shirgaokars assumed the management of the

company on 20th February 1941 and this proved to be the turning and crucial point in the life of the Ugar Sugar Works Limited. With the change in the management the fortunes of the company improved a lot.

14 V.S.SHIRGAOKAR AND UGAR SUGAR WORKS

"The factory and its elevation to the present height of progress owes much to the relentless and untiring efforts of Shri V.S.Shirgaokar. When Dr.Shirgaokar, his uncle, took over the affairs of the company way back in 1941, Shri V.S.Shirgaokar commenced his career as a lieutenant of his uncle in this adventure. By his hard work, organizing capacity, resourcefulness and cheerfulness in the face of adversity, Vinayakrao wore the mantle of Dr.Shirgaokar in 1950 and took over the Management of the Ugar Sugar Works".⁹

A dashing young science graduate of the Banaras Hindu University with Industrial Chemistry as his subject Shri Vinayakrao put new life into the company. He rose admirably to the occasion, accepted the challenging task and it is his sense of duty, determination, dedication and discipline which have gone a long way in making the factory what it is today. Believed as he was in the path of co-operation and sympathy and not confortation, Vinayakrao got co-operation of the workers in full measure - the co-operation which is a must for progress of any industry. With the solid support of the workers, Shri Vinayakrao

converted a barren, waste and isolated Ugar into an happy and attractive township. He has toured extensively and visited countries like Australia, Havai, Japan, Formosa, Venizuela and Rome etc. for the purpose of the study of the working of the sugar and paper Mills.

His contributions are to be found in labour welfare, social welfare, agricultural development apart from his magnificent contribution to the progress of the Ugar Sugar Works as a 'Model Sugar Factory'.

The Ugar Sugar Works, the Ugar High-School, Housing Colony, the Ugar Gymkhana, - all owe their origin to the efforts of Vinayakrao. Vinayakrao, a personality never after name, fame, or publicity, has been sincere and dedicated worker, a good friend whose wise counsel is sought by many in business circles. Vinayakrao, all along his career, has identified himself with the development of the Ugar Sugar Works. As a close friend of him puts it "there is nothing sugar coated about him, he is sugar and nothing but sugar"¹⁰ The photograph of V.S.Shirgaokar is presented on page, 18.

15 S.S.SHIRGAOKAR TAKES CHARGE

The Managing Agents of the factory, interested as they were in the expansion of the factory, thought no scheme of expansion could be undertaken unless they deputed one of their partners capable enough to take full charge of their office at Ugar. Accordingly Shri S.S.Shirgaokar, B.Sc., a partner of Messers Shirgaokar brothers, a man with ample



"SHRI V.S. SHIRAGAOKAR,
CHAIRMAN- THE UGAR SUGAR WORKS"



" SHRI S.S.SHIRAGAOKAR,
MANAGING DIRECTOR -
THE UGAR SUGAR WORKS."

experience in business management was deputed to Ugar as their representative in 1954. As an able and efficient administrator, S.S.Shirgaokar became the Deputy General Manager and with his high calibre of mind and dedicated work has scaled the height of the Management of the Factory now working as Managing Director of the Ugar Sugar Works after the retirement of V.S.Shirgaokar.

His contribution to the development of the factory is also of immense nature. He is keenly interested in Modern Machinery of Sugar-cane to modernize the industry. He has been instrumental in expanding the crushing capacity of the factory from 800 T.C.D.in 1954 to 5000 TCD by 1987-88. He has recently initiated the scheme for the use of computers to boost up the excellence of work in the factory. The photograph of S.S.Shirgaokar is presented on page, 20.

Apart from routine factory work, he has undertaken programmes like -

- 1) Utilization of waste molasses by storing and covering it into 'Lagoon Pits' and distributing the Methane Gas collected for household fuel. This project has very much helped to control air pollution in the factory area to a great extent.
- 2) Development of Housing Colony.
- 3) New Housing Scheme for low income groups.

- 4) Assistance to Indian Medical Association Ugar-Khurd branch to conduct eye camps, family welfare camps etc.
- 5) Sugarcane growing on modern lines.
- 6) Expansion of the "Dr.Shirgaokar Smarak Arogya Mandir" at Ugar into a fullfledged hospital with X-ray unit and an operation theatre with latest equipments - all meant for providing medical aid to the needy at concessional rates.
- 7) Believes as he is in the maxim "all work, no play makes Jack a dull boy". S.S.Shirgaokar has shown immense interest in the development of the Gymkhana at Ugar-Khurd. He has sponsored many schemes of providing opportunities and incentives for the development of the sports. It is for this reason that Ugar-khurd is often selected as the venue for conducting Taluka and District level sports meet.

Thus it is untiring, resourceful and dedicated work of these two brothers i.e.Shri V.S.Shirgaokar and Shri S.S. Shirgaokar. They are now ably and efficiently assisted by two sons of Shri V.S.Shirgaokar namely Shri R.V.Shirgaokar, Managing Director (Technical) and Shri P.V.Shirgaokar Senior Executive (Administration). Thus Shirgaokar family has significantly contributed to the establishment and development of Ugar Sugar Works.

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- 2 Ibid. p.8
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- 4 Ibid. pp.10-13
- 5 Ibid. p.16
- 6 Ibid. p.17 and 19.
- 7 Ibid. p.20
- 8 Ibid. p.21
- 9 Shri Vinayakrao Shirgaokar, Paratisthan, Ugar-Khurd 1979, p.13.
- 10 Shri B.V.Desai - "Vinayakrao Shirgaokar As I have known him" in Shri Vinayakrao Shirgaokar Paratisthan, Ugar-Khurd 1979, p.13.

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