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Sowing seeds of growth

Adventz group targets ₹30,000 crore over the next five years

Akshay Poddar
Executive Director,
Zuari Agro Chemicals

Saroj Poddar
Chairman,
Adventz group

A new churn

GCMMF is now the scene of petty acrimony

While the Gujarat Co-operative Milk Marketing Federation (GCMMF), owner of the iconic 'Amul', is set to scale a new high with a record turnover of ₹18,000 crore in 2013-14, its chairman is at the centre of a legal slugfest with political overtones, and facing imminent ouster. "A letter informing Vipul Chaudhary that he is no longer the chairman of GCMMF has already been despatched; so, as things stand, the post is vacant," points out R.S. Sodhi, managing director, GCMMF. "We have since approached the Supreme Court for the redressal of our grievances and the GCMMF cannot appoint a new chairman until we are heard later this week," counter sources close to Chaudhary.

The brainchild of V. Kurien, popularly known as the father of the milk revolution in India, GCMMF was founded in 1973.

The trouble for Chaudhary began when he was served a no-confidence notice in October last year by 14 of the 17 members of the GCMMF board, alleging financial irregularities and irresponsible decision-making in the Mehsana dairy. Chaudhary moved the Gujarat High Court with the plea that there is no provision in the Gujarat Co-operative Societies Act of 1961 and in bye-laws of the GCMMF for passing such a no-confidence motion. A single judge bench of the high court stayed the meeting but a division bench vacated it.

The motion was passed on 5 December after Chaudhary and Ramsinh Parmar (head, Kaira Milk Union) walked out and Ramsinh Bhetariya (Junagadh District Milk Union) remained absent. The remaining 14 district co-operative dairy chairmen voted for the ouster of the chairman.

Justice Paresh Upadhyay permitted the federation to implement the decision only after 11 January, so as to give Chaudhary time to approach a higher court. The judge also referred to



PALASHRANJAN BHADURICK

Overflowing with petty politics

a division bench the issue of whether the board members of the federation could move a no-confidence motion in the absence of such a legal provision in either the Co-operatives Act or in the bye-laws of the federation. The chairman, however, has chosen to appeal to the Supreme Court.

Chaudhary, who belongs to the BJP, saw his woes multiply after his presence was noted at a Rahul Gandhi interaction in Ahmedabad and his efforts at cozying up to Sharad Pawar earlier. The recommendation of Shankersinh Vaghela, leader of the Opposition Congress in Gujarat, that Chaudhary's name should be considered as a replacement for Amrita Patel as the head of the National Dairy Development Board (NDDB) only added fuel to fire.

Voting pattern

Chairing GCMMF is also about demonstrating one's power, which translates into vote bank politics. The rivalry between Parthi Bhatol, a former chairman, GCMMF, who heads the Banaskantha District Dairy Union, and Chaudhary – both with BJP backgrounds – is well-known. It

is against this backdrop that the vote share in the GCMMF board acquires vital importance.

By simple logic, it was two in favour and 14 against Chaudhary, with one member absent. "This though, can be a bit of a misnomer in the novel voting pattern of the GCMMF board," points out a source close to Chaudhary. "Apart from the 'one member, one vote' rule, additional voting power is granted to member dairies on the basis of the business transacted between the dairy and the GCMMF. Thus, for every 500,000 units transacted, a member dairy gets one additional vote."

So, simply put, Chaudhary, chairman, Dudhsagar Dairy, Mehsana, and Ramsinh Parmar of the Kaira Milk Producers' Union – the two who walked out – control about 45 per cent of the votes, with the remaining dairies together controlling 55 per cent. "Power balances between member-dairies can be tilted through increased or decreased transactions," says an insider.

"Mehsana (Dudhsagar dairy) was not given the advantage due to it through the increased demand for Amul milk in Delhi," says the Mehsana dairy source. "This, despite the dairy investing in two units near Delhi, which has idle capacity, while two other district milk unions are supplying milk, procured and packed in private dairies, to meet the demand".

Oblique confirmation of this comes from Chaudhary himself. "Banas and Sagar will need to come to terms in the larger interest of the mass of milk producers," he points out. The reference is to the rivalry between the Banaskantha Milk Producers' Union and the Dudhsagar Dairy – that is, between him and Bhatol.

Though Parmar, chairman, Kaira Milk Producers Union (Amul Dairy), feels that the politicisation is affecting Amul as a brand, Sodhi does not feel so. "The chairman's post is honorary," he says. "Though he presides over the board, the GCMMF management being professional, this development does not in any way affect the day-to-day functioning of the federation," he adds.

♦ R.K. MISRA