

CHAPTER-III

HISTORICAL BACKGROUND OF THE COMPANY

Kolhapur is famous for sugar and engineering goods industry. Engineering goods industry is located in Udyamnagar and M.I.D.C. area at Shirol. Mahadaba Mestree, Y.P. Powar, Karajgar, Chandran Menon etc. are the leading industrialists in Kolhapur, who initiated and nursed the industry and made engineering goods of Kolhapur famous in India and outside.

In 1954 Shri Chandran Menon a young tool engineer established a small machine-shop in Udyamnagar. This tiny unit was started with only four workers and two lathes for jobbing work. In 1958 this unit started production of diesel engines, which were very famous because of the superior quality and fuel economy. Due to the superior technology and reputation the products of this unit were accepted by the famous organisations such as Cooper Engineering Ltd., Ruston and Hornsby (India) Ltd. etc.

In 1961, there was a big slack in the engineering goods industry. Lot of companies were forced to wind-up. In 1962 this company started manufacturing of diesel engines ranging from 3 H.P. to 6 H.P. to overcome the situation of slack.

In 1965 company was diversified in to four different units for effective management. In this year a modern small cast iron foundry was set up by the company. Since 1972 this unit started manufacturing of high duty machined grey iron casting for the automobile industry. Within a few

years the company had acquired the experities of high technology casting for the automobile and engineering industry. In short span of time, Menon's quality was accepted and acknowledged as one of the best in the country.

Menon group of industries comprises :

- i) Menon Engines
- ii) Menon Automobiles
- iii) Menon Pistons
- iv) Menon and Menon Pvt. Ltd.

i) Menon Engines -

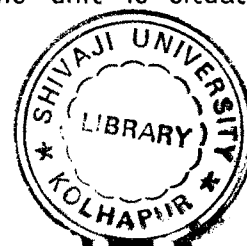
This unit was started in 1958 for manufacturing diesel engines. This unit produces diesel engines, such as MV6 A, MV6 B, 650 R.P.M., and MV8, 850 R.P.M. ranging from 3 H.P. to 10 H.P. Within short span of time Menon engines earned a name in the field of lift irrigation. For which Kolhapur and adjoining districts are famous.

ii) Menon Automobiles -

This unit was started in 1965 for reconditioning automobile engines. Within short time, this unit also acquired leading position in reconditioning works of State Transport, Sugar Mills, and almost all Government Departments.

iii) Menon Pistons -

In 1965 this separate unit was established realizing the ever increasing demand for quality pistons and piston-rings. This unit is situated



in Shirol Industrial Estate. The unit is manufacturing aluminium pistons for all categories of automobile engines. Menon piston is the first unit in Maharashtra that produces aluminium pistons. It is one of the best units having the latest technological devices. Development of Alfin-Ponded pistons in piston manufacturing is an important landmark in the history of the unit. With changing times company has started production in collaboration with famous Japanese Company M/s Nippan Piston Rings Company Ltd., Japan. Menon Piston supplies its products to M/s Kirloskar Cummins, M/s Hindustan Tractor, M/s Ruston and Cooper engines.

iv) Menon and Menon Pvt.Ltd.,
Vikramnagar, Kolhapur

This is private limited company, established in 1965. This unit is situated in Vikramnagar, Kolhapur. It is a medium-scale engineering unit. This unit takes sub-contracts to fulfill requirements of some leading industrial groups of India in the form of machine product and casting. It has two departments machine-shop and foundry.

Menon and Menon Pvt.Ltd. has a modern and well equipped machine-shop. It has sophisticated and most advanced machines for drilling, milling, honing and multi-purpose equipment of German make. There are some other machines also including Duplex machine, Escort Multi Spindle drilling machine etc.

Foundry section is also well equipped with most advanced devices. Foundry produces wide range of castings, many of which, such as the V-12

Cylinder block for MWM engines and the AD 3-152 Perkins engine block, were made for the first time in India. In 1984 a new sand moulding plant required for big-casting, such as Mahindra and Mahindra Ltd. and Escort was set up.

Recently foundry acquired the electrical furnace, which is supposed to be the most advanced process in the development of foundry.

To-day this foundry section has the capacity of 1,000 (One thousand) tonnes of casting per month. It produces 7,200 tonnes of graded casting annually for Tractors, Trucks, Jeeps, Hydraulics Multi-Cylinder diesel engines and appliances.

Due to the modernisation of the foundry many operations are carried out automatically. The success of Menon's foundry is evident from the fact that TELCO also needs the help of Menon foundry, even though it has its own modern foundry.

The list of the customers that Menon and Menon Pvt.Ltd. supplies its products gives an idea about how this company has assumed an important position among the ancillary units. Its customers are -

- 1) Escort Ltd., Faridabad
- 2) Mahindra and Mahindra, Bombay
- 3) H.M.T., Bangalore
- 4) TELCO, Pune
- 5) Kirloskar Oil Engines, Pune
- 6) Simpson Ltd., Madras

- 7) Ashok Layland, Madras
- 8) Panjab Tractors Ltd., Chandigarh
- 9) Auto Tractors Ltd., Pratapgarh (UP)
- 10) Ruston and Hornsby (India) Ltd., Pune.

Menon and Menon has an excellent working relationship with these clients, because the company has always a customer oriented outlook. Consistent high quality as well as reasonable pricing have almost become hallmark of the company. In addition the company keeps in mind and takes care to ensure that delivery of it's products is right on schedule.

FINANCIAL SITUATION OF THE COMPANY

(Figures are in Rs.)

Sr.No.	Year	Sales Volume	Staff Expenses	Investment	Working Capital	Profit
1.	1965	19,63,000	-	-	-	-
2.	1970	48,24,000	-	-	-	-
3.	1978	1,49,24,829	7,21,404	16,97,281	37,46,711	5,45,239
4.	1979	3,11,97,463	12,87,996	47,85,607	48,07,353	6,97,275
5.	1980	3,72,81,701	14,05,525	61,26,714	58,74,462	4,53,100
6.	1981	5,10,91,893	92,20,335	91,39,445	1,07,31,503	3,02,147
7.	1982	5,28,73,707	1,06,18,949	54,59,598	1,42,91,244	5,07,321
8.	1983	5,24,27,684	1,17,15,111	37,98,235	1,50,96,115	7,11,187
9.	1984 (1985)	6,31,70,017	1,38,08,575	3,90,70,981	60,56,741	(-) 1,15,762
10.	1986	9,24,49,911	2,34,94,857	6,33,48,808	1,07,55,947	(-)76,87,117

Source : Balance Sheets of the Company.

- References :
- 1) Daddikar D.G., "A Study of the Man-power Planning and recruitment Procedure in Menon and Menon Pvt.Ltd., Vikramnagar, Kolhapur," An M.Phil. dissertation (unpublished) submitted to the Shivaji University, Kolhapur in 1985.
 - 2) Mohite, D.S., "A Study of Accident and Industrial Safety in Menon and Menon Pvt.Ltd., Kolhapur," Project Report (unpublished) submitted to Shivaji University, Kolhapur for the award of M.B.A. in 1983.