

CHAPTER - IIPROFILE OF MAYURHISTORICAL BACKGROUNDOrganisation Structure of 'MAYUR'Organisation StructureBusiness of 'MAYUR'Membership and Owned CapitalBorrowings

II : PROFILE OF MAYUR

1) HISTORICAL BACKGROUND :

The Maharashtra Co-operative Engineering Society Ltd., (henceforth called 'MAYUR') was registered on 5th September 1966, under Maharashtra Co-operative Societies Act, 1960 and its registered address is plot No.1, Industrial estate, Poona-Bangalore Road, Shirol., Taluka Hatkanangle, District Kolhapur. At the time of registration its classification was "General Society" but later on changed to "Producers' Society" and further sub-classified as "Industrial producers' Society".

The small workshop owners and industrial artisans in and around Kolhapur were mainly dependent upon big manufacturers for the sale of their products. There was no stability and guarantee of orders from the big units. The big units, more or less, dictated terms regarding the price and payment of spare parts which were very much detrimental to the small workshop owners and industrial artisans. Ultimately the small units either had to close down or run the business in loss. This sort of situation prevailed for years together. In order to overcome this situation the leaders of cooperative movement like late D.R.Gadgil, Padmbhushan Vasantrao Dada Patil, late W.C.Shrishrimal, late Shri R.D.Patil and many others decided to organise a medium size engineering units in the

co-operative sector in Kolhapur, to help unorganised and scattered small workshopowners and artisans job work at reasonable rates, extending technical assistance to maintain quality, providing laboratory facilities and supplying jigs, fixturs and gauges etc. With this aim in mind the Maharashtra Co-operative Engineering Society was established at Kolhapur on 5th September 1966 MAYUR shifted its activities M.I.D.C. area, Shirolī, in September 1968 and production of diesel engines commenced in December 1948.

The constitution of the Board of MAYUR is provided under in it's bye-laws. The first Board of Directors was nominated by the Government of Maharashtra and was in existence till April 1977. The Board of Directors consists of 17 elected Directors and 5 nominees who along with others include Government nominee and M.S.C. Bank nominee.

The Maharashtra Industrial Development Corporation has allotted to 'MAYUR' two plots admeasuring 43104 sq. meters of land in the industrial area of Shirolī. MAYUR has built its administrative office and factory building at the cost of Rs. 13.80 lakhs. The total value of the plant and machinery at MAYUR is Rs. 17.30 lakhs.

The area of operation of MAYUR is state of Maharashtra. The authorised share capital of the society is Rupees one crore with shares of Rs. 500 each and issued share capital is Rs. 50 lakhs. The paid up capital of MAYUR was Rs. 28.97 lakhs as on 30th June, 1986.

2) ORGANISATION STRUCTURE OF MAYUR :

As mentioned earlier, the Board of Director consists of 17 elected members and 5 members nominated by each of the following :

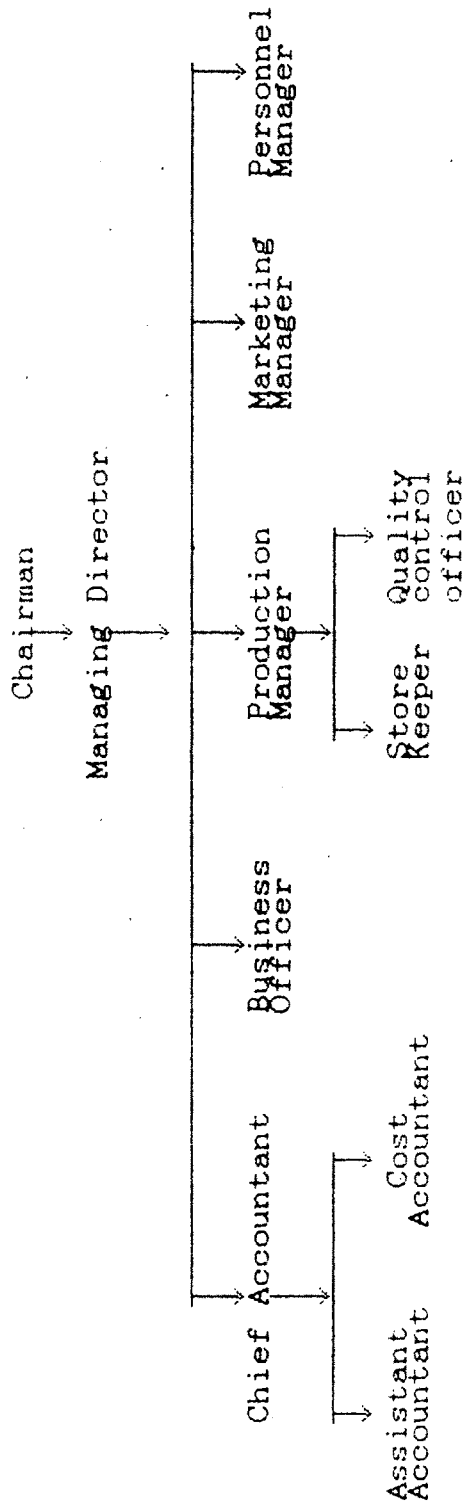
- i) Maharashtra State Co-operative Bank Ltd., Bombay
- ii) Kolhapur District Central Co-operative Bank Ltd.,
- iii) The Maharashtra State Co-operative Land Development Bank Ltd., Bombay
- iv) The Maharashtra State Co-operative Marketing Federation Ltd., Bombay; and
- v) Registrar, Co-operative Societies, Maharashtra State, Pune.

In addition to this Managing Director or General Manager is the ex-officio member of the Board.

For supervision over day to day working separate executive is constituted by the Board.

Organization Structure :

MAYUR's organisation structure is depicted in the following figure :



CHAIRMAN, along with other Board of Directors, is the highest authority in all matters in connection with financial management in MAYUR.

MANAGING DIRECTOR is the ex-officio Director of the Board and the general manager of the Society subject to control of the Board of Directors and Executive committee. He will hold office for a period not exceeding 5 years and will be eligible for reappointment. Managing Director will perform such duties and functions which the Board may entrust or delegate to him. Under the Managing Director the following officers are there :

a) CHIEF ACCOUNTANT :

He is concerned with all finance and accounting matters. An assistant accountant and a cost accountant work under him.

b) BUSINESS OFFICER :

He is in charge of office and business matters.

c) PRODUCTION MANAGER :

Production manager looks after factory and production. Storekeeper and quality control officer work under him.

d) MARKETING MANAGER :

He is concerned with marketing of produce.

6

e) PERSONNEL MANAGER :

All issues regarding workers are handled by personnel manager.

3) BUSINESS OF 'MAYUR' :

'MAYUR' purchases spare parts manufactured by members and provide them assured business throughout the year. It deals in products like 5, 6.5, 7.5 and 8 H.P diesel engines, 3 and 5 tonne capacity rubber tyre bullock carts, cane harvesting knives and various other agricultural implements.

The area covered by MAYUR for sales is divided into four regions as detailed below.

- a) Northern Region : Viz. Uttar Pradesh, Rajasthan, New Delhi, Himachal Pradesh, Jammu & Kashmir, Punjab and Haryana.
- b) Eastern Region : Viz. Bengal, Assam, Tripura, Orissa, Bihar and Meghalaya.
- c) Southern Region : Viz. Andhra Pradesh, Karnataka, Tamil Nadu, Pondichery & Kerala.
- d) Western Region : Viz. Madhyapradesh, Maharashtra & Gujarath.

The following table shows key figures, from the begining in 1968-69 upto 1985-86, highlighting (i) progress made by MAYUR in its business operations during all these years and (ii) its financial position as on 30th June of each of these years.

TABLE 2.1

Statement Showing Key Figures Pertaining To Financial
And Operating Performance of MAYUR

	1969	1970	1971	1972	1973
1. Share Capital	17.08	17.48	18.08	18.20	19
2. Reserve funds & other Reserves-Net of Accumulated Losses (Accumulated Loss)	(.11)	2.10	0.02	5.64	20
Owned Funds	16.97	19.58	18.10	23.84	39
3. Loans and Non-Returnable Deposits	13.37	56.34	50.04	57.36	36
Total	30.34	75.92	68.14	81.20	76
4. Total Fixed Assets (including investments)	17.45	24.81	26.64	27.11	27
5. Net Current Assets	12.69	50.91	41.50	54.09	48
Total	30.14	75.72	68.14	81.20	76
6. Sales	5.17	16.10	40.78	64.12	96
7. Gross Profit (Loss)	2.73	8.54	8.01	17.75	22
8. Net Profit (Loss)	(2.46)	(1.02)	(4.11)	-	6

Source : Compiled from

The above given table shows details of financial position and operating performance of MAYUR from the year 1968-69 (i.e. the beginning) upto 1985-86. Financial position and operating performance of MAYUR are analysed in the chapters to follow. It is sufficient here to say that MAYUR's financial position could be said to be sound in a very few years (like those in the late 1970's). It's performance cannot be said to be satisfactory in many of the years of the total 18 year period covered in the above Table.

Details of regionwise sales for the five years starting from 1980-81 and ending with 1985-86 are given in Table No. 2.2 and those of domestic sales & export sales on productwise basis are given in Table 2.3 below;

Table No. 2.2

**Statement showing Regionwise Sales of MAYUR
for the five years under study
(Figures in Percentages to Total Sales)**

Sr. No.	REGION AND AREA	1981-82	82-83	83-84	84-85	85-86
1.	NORTHERN REGION (Uttar Pradesh, Rajasthan, New Delhi, Himachal Pradesh, Jammu Kashmir, Punjab and Haryana)	5.10	5.11	0.12	3.96	4.45
2.	EASTERN REGION (Bengal, Assam, Tripura, Orissa, Bihar and Meghalaya)	46.31	57.39	32.05	19.07	16.38
3.	SOUTHERN REGION (Andhra Pradesh, Karnataka, Tamilnadu, Kerala and Pondichery)	2.82	3.40	4.17	4.98	14.35
4.	WESTERN REGION (Madhya Pradesh, Maharashtra and Gujarat)	26.75	24.75	35.93	56.20	63.65
5.	EXPORTS	19.02	9.45	27.73	15.79	1.17
	TOTAL	100	100	100	100	100

Source : Annual reports of MAYUR

From the above Table it is seen that Eastern Region was the most important region for the years 1981-82 and 1982-83 Western Region took its position in the year 1983-84 and continued to be at the top during the last two years of this study. This clearly indicates that MAYUR lost its grip on the outside markets in the last three years and concentrated mainly on Western Region. Exports did not give any specific trend during the five years of this study. There were ups and downs in the exports of MAYUR during this period.

TABLE 2.3
STATEMENT SHOWING PRODUCTWISE DOMESTIC SALES AND EXPORT OF MAYUR
FOR THE FIVE YEARS UNDER STUDY

S.NO.	Products	1981-82	1982-83	1983-84	1984-85	1985-86
	Domestic Export sales	655	-	1116	279	-
	Total Domestic Export sales	655	373	1116	279	15
1.	Disel Engines and pumpsets (Number sold)	2	4	15	32	9
2.	Power Tillers (Number sold)	56	28	-	-	-
3.	Electric Motor (Number sold)	518	148	80	-	-
4.	Bullock Carts (Number sold)	-	-	-	-	-
	Total Domestic Export sales	655	373	1116	279	15
	Total Domestic Export sales	655	373	1116	279	15

Source : Annual Reports of MAYUR

The above Table shows that MAYUR's exports were only of one product, i.e., diesel engines and pumpsets. These exports seem to be erratic in nature with ups and downs every year in the period of five years of study. Sale of power tillers, electric motors and bullock carts was in domestic market only. The erratic behaviour of domestic sales also clearly show that MAYUR did not pay proper attention to its marketing activities.

4) MEMBERSHIP AND OWNED CAPITAL :

The members of MAYUR are mainly workshopowners and skilled self-employed artisanus manufacturing, assembling etc. of engineering goods. These members included representative of

- i) Co-operative Sugar Factories,
- ii) Apex Regional District and Taluka Marketing Societies and other Co-operative Societies.
- iii) Apex District central and other Co-operative Banks
- iv) Industrial Co-operative Societies and other processing Societies. A firm company or any body corporate registered under the societies Registration Act 1960 and also workshopowners and skilled self employed

artisans, firm company or any other body corporate constituted under any law for the time being in force or a society Registered under the Societies Registration Act 1960. engaged in the manufacturing of oil engines, Electric motors, pumping sets other agricultural impliments any other produces manufactured assembled by the MAYUR and also its membership includes Government of Maharashtra as one of the members. The position as to membership and owned capital will be depicted in the following Table :

Table No. 2.4

Statement showing number of members and owned capital in MAYUR

	1968-69	78-79	81-82	82-83	83-84	84-85	85-86
1. Members (in numbers)	NA	NA	1374	1393	1403	1416	1426
2. Share Capital plus Reserves minus Net of accumulated loss (Rs/lakhs)	16.97	54.40	66.78	68.66	65.99	32.94	3.63

Source : Annual Reports of MAYUR
Details about membership of 'MAYUR' for the five years

(1980-81 to 1985-86) are given as Annexure 1.1.

Borrowings :

MAYUR has raised the loans mainly from three sources.

- a) Maharashtra State Co-operative Ltd., Bombay.
- b) Maratha Urban Co-operative Bank Ltd.,
- c) Members (Non-refundable deposits)

The details are shown in the following table.

Table No. 2.5

Statement showing Borrowings of 'MAYUR'							
							(Rs/lakhs)
	1968-69	78-79	81-82	82-83	83-84	84-85	85-86
<u>Borrowings</u>							
(outstanding as on 30th June)	13.37	25.85	53.95	57.43	83.13	104.49	87.82

Source : Annual Reports of MAYUR

CONCLUSIONS :

Financial management in a cooperative undertaking differs from that in a private organisation in respect of the objectives mainly financing decision dividend decision of a cooperative organisation are dominated by a provisions contained in State Co-operative Act. Investment decision is as important for a cooperative as for a private organisation. Wealth maximisation aspect is almost absent in case of a

cooperative. Improvement of profit margin has its own limitation for a co-operative. Asset management, therefore, becomes a crucial part for management of a co-operative organisation.

MAYUR's performance over the period of 18 years from its existence upto 1985-86 seems to be not quite satisfactory. Domestic and export sales show erratic movements during this period. Except in 1970's MAYUR's financial position and operational performance showed a deteriorating trend.

ANNEXURE 2.1

Statement showing Details of Membership of MAYUR

MEMBERSHIP	1981-82	1982-83	1983-84	1984-85	1985-86
1. MEMBERS UNDER BYE LAWS NO. 10 (A)	577	583	585	590	590
2. MEMBERS UNDER BYE LAWS NO. 10 (B)	48	48	48	48	48
3. MEMBERS UNDER BYE LAWS NO. 10 (C)	711	721	724	725	731
4. MEMBERS UNDER BYE LAWS NO. 10 (D)	9	9	9	9	9
5. NOMINAL MEMBERS	26	31	36	46	47
6. GOVT. MAHARASHTRA	1	1	1	1	1
TOTAL	1374	1393	1403	1416	1426

Source : Annual Reports of MAYUR