

CHAPTER - II

MENON AND MENON PRIVATE LIMITED

- A PROFILE

2.1 HISTORY AND GROWTH OF THE ORGANISATION :

The history of the Menon and Menon Group of industries goes back to the year 1954 when they started a small industrial unit manufacturing diesel engine components in Udyamnagar. This tiny unit was started with only four workers and two lathes.

In 1958, this unit started production of diesel engine such as MV6A, MV6B, 650 R.P.M. and MV-8, 850 R.P.M. which were very famous because of the superior quality and less consumption of fuel. Due to the superior technology and reputation these products were accepted by the famous organisations such as Cooper Engineering Ltd. Ruston and Hornsby (India) Ltd. etc.

In 1962 they started manufacturing of diesel engines ranging from 3 H.P. to 6 H.P. and these products found good customer acceptance. The increase in the volume of business required bifurcation of the company into separate units as departments for better

supervision and control.

Thus in 1963 the components unit was shifted to the new location in Vikramnagar.

A modern small cast iron foundry unit was also set up. In 1965, this company was separated into individual units viz. the Menon and Menon Automobiles, producing oil engines and other Menon and Menon Pvt. Ltd. Company.

Till 1969, the main production of the company was diesel engines. In this year the recession stage of the trade cycle appeared in the economy of India and demand for many products collapsed. To overcome the situation some concerns tried to diversify. The Menon and Menon Company was converted into Menon & Menon Pvt. Ltd. and successfully diversified into new line of products. Along with the production of oil engines large foundry was started. The oil engine division was shifted to Udyamnagar in 1975.

Menon Group of Industries include -

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

i) Menon Pistons Pvt. Ltd. :

A separate unit under the name of Menon Pistons Ltd., was established realising the ever increasing demand for quality piston and piston rings. This unit situated in Shirol Industrial Estate and engaged in manufacturing aluminium Pistons for all categories of automobiles and engines. Menon Piston is the first unit producing aluminium pistons in Maharashtra and is one of the best unit having sophisticated machinery. Their customers includes :-

1. M/s. Kirloskar Cummins Ltd.,
2. M/s. Kirloskar Kisan Equipment Ltd.,
3. M/s. Hindustan Tractor Ltd.,
4. M/s. Ruston and Hornsby (India) Ltd.,
5. M/s. Cooper Engineering Ltd.,

These names of industrial concerns themselves as refers and customers indicate the high quality of Menon Pistons and Rings. The credit for development of Piston for defence industry also goes to Menon Pistons. Development of Alfin bounded pistons a latest technology in Piston manufacturing was an important landmark in the history of the unit. Menon Pistons supplies their products to M/s. Kirloskar Cummins. Recently the company is working in Collaboration with M/s. Nippan Piston Rings Co. Ltd., Japan Menon Engines.

Though Menon and Menon diversified into new line of production, the production of Oil Engines was not completely stopped. This engine division still producing vertical oil engines of 10 H.P. and 6 H.P. This unit was shifted to Udyamnagar in 1975. But now it is shifted again to Vikramnagar on the same plot of Menon and Menon Pvt. Ltd.

ii) Menon Automobiles :

It was established in 1965 for reconditioning automobile engines. Now a days it has acquired leading position in reconditioning works of state transport , sugar mills and almost all government departments.

iii) Menon and Menon Pvt.Ltd. :

It is a medium scale engineering concern having its two departments Foundry and Machinshop. Menon and Menon mainly takes sub-contracts to fulfill requirements of some leading industrial groups of India, in form of casting as well as machine products. Foundry of the Company has the capacity of 1000 tonnes of casting per month. Recently foundry acquired the electric furnace which is supposed to be the most sophisticated process in the development of foundry.

Nevertheless oil rotating furnace is still working. There are castings. Last year, new sand moulding plant required for big casting such as Mahindra and Mahindra Ltd. and Escort Blocks was set up.

Menon and Menon Pvt.Ltd. has a modern and well equipped machinshop. It includes machines like drillers, millers, cutters and multipurpose drillers of German make. With all these machines, there are some other machines includes Duplex Machine, Escort multy spindle drilling machine etc.

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

The list of customers that Menon and Menon supplies its products given an idea about how this Menon and Menon Pvt. Ltd has assumed an important position among the ancillary units. Its customers include :

1. Escorts 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 Leyland, Madras
8. Punjab Tractors Ltd.,
9. Brukes India Ltd.,
10. Automobile Products of India Ltd.,
11. Ruston and Hornsby (India) Ltd.

2.2 WORKING HOURS :

There are three shifts in that organisation. The workers are required to work eight hours daily in each shift except the third shift. The different shifts and their working hours are as under :-

- i) First Shift : 8.00 a.m. to 4.30 p.m.
- ii) Second Shift : 4.30 p.m. to 1.00 a.m.
- iii) Third Shift : 1.00 a.m. to 8.00 a.m.

Instead of these, sometimes the intermediate shifts are also run for convenience. The office and administrative staff are working between 9.00 a.m. to 5.00 p.m.

2.3 WAGES AND ALLOWANCES :

All the workers are graded into eight different grades according to skills. The skill related to the

grade is as shown under :-

<u>GRADE</u>	<u>SKILL</u>
VIII	Unskilled
VII	Semi-skilled - B
VI	Semi-skilled - A
V	Skilled - B
IV	Skilled - A
III	Highly skilled
II	Supervisors
I	Engineers.

For these grades pay scales are :-

<u>GRADE</u>	<u>PAY SCALE</u>
VIII	- 355-04-355-05-380-06-410
VII	- 360-06-390-07-425-08-465
VI	- 385-08-425-09-470-10-520
V	- 430-10-480-11-535-12-595
IV	- 475-12-535-14-605-16-685
III	- 500-16-580-18-670-EB21-575
II	- 550-21-655-24-775-EB27-910
I	- 650-27-785-30-935-EB35-1011

All employees are entitled to D.A. as per Solapur index. First three grades of employees are entitled to get H.R.A. and allowances.

A) Overtime :

The worker is entitled to secure the payment for overtime one and half times the wages on hourly basis.

B) Incentive :

To enhance the production, incentive is paid to the workers, First a standard in terms of minimum number of units to be produced in each week is fixed for each department. Incentive is paid on the basis of piece rate system for the number of units of output over and above the fixed standard. Then this amount is distributed among all the workers in the concerned department. With more production the quality of the product should also be checked. Thus incentive is paid only after the quality is approved by inspection department.

If some units of output for which incentive is paid are rejected by the customers, the amount of incentive paid for the same units is deducted from the amount to be paid next for that concerned department.

C) Attendance Bonus :

To ensure regularity in attendance, attendance bonus is paid, the worker who attended all the working days in a month is entitle to get an attendance bonus.

The Attendance Bonus is presently Rs. 10/-. If the worker is on leave for one day, five rupees are deducted from attendance bonus, for more leave the whole amount is deducted.

D) Annual Bonus :

20% annual bonus is paid to workers last year.

E) Gratuity :

An employee is eligible for this scheme after five years continuous service. Gratuity is paid to an employee at the rate of Rs. 15 days salary for each year after completing five years, if he retires, resigns or is discharged from the service.

F) Staff Bonus :

It is a loan sanctioned to an employee for meeting medical expenses, marriage expenses and expenses incurred for the education of children etc. No interest is charged on this loan and amount of loan is recovered through the monthly salary.

2.4 WORKERS WELFARE FACILITIES :

A) Canteen :

Tea and eatables are made available to the employees at the nominal rates. Fifty percent of the bills are paid by the company.

B) Uniform and Shoes :

Every permanent worker is provided with a pair of uniforms and a pair of shoes each year.

C) Soap :

Each worker is supplied a cake of soap each week to clean the uniforms and hands.

D) Leave :

Every employee is entitled to seven days casual leave and 12 days earned leave according to Factories' Act.

Sick leave is sanctioned as per the provision of ESI. With these there are seven days paid holidays which include, independence day, republic day, Shiv Jayanti, two days of Diwali and two more days as demended by the Union.

E) Recreational Facilities :

All the employees and officers get together at Temblai Hill at the time of Tryamboli Yatra to enjoy a meal. The workers enjoy the drama and variety entertainment programme on the independence day and republic day.

F) Sports and Games :

Employees are supplied with necessary materials for playing cricket, football and volleyball. Company's cricket and football teams participate in many tournaments. The members of the teams are entitled to allowance in terms of hours for the purpose of practice etc.

G) Employee's State Insurance Scheme :

Employees are provided with facilities of ESI Scheme. A regular monthly deduction is made for that purpose from salary. Employees are entitled to ESI leave.

H) Educational Assistance :

The educational assistance scheme for children is in operation in the company. Under this scheme, the employee's children receive educational assistance. In all thirty students

are given this assistance including three from each standard every year. The following assistance is given when certified by the school authority.

- a) Two sets of cotton uniforms prescribed by School.
- b) One set of text books.
- c) One set of note books.

The criteria for selection is :-

- a) The children of only those employees completed five years of service and eligible for scheme.
- b) The basic salary of the employee should not exceed Rs. 500/- per month.
- c) Only one child per employee is entitled to get this benefit under the scheme.
- d) The selection is strictly on merit basis.
- e) Children are required to submit the result to Company.
- f) Under no circumstances cash paid to any employee.

- g) For this purpose a committee is appointed consisting two members of management and two representatives of workers. This committee select the children, Arrangements are made to purchase the required materials and handover to the employees.

2.5 WORKERS' EDUCATION SCHEME :

The trained persons conduct the class in which different aspects like responsibility of worker, how to increase the production, information about ESI Scheme, Social responsibility of trade union etc. are taught. Each batch is consisting of 25 workers. At the end of examination, workers and instructors are sent on tour to visit different industrial units in different cities.

2.6 PRODUCTION, TURNOVER, PROFIT AND EMPLOYMENT :

In the year 1974 the total production of castings was 1200 metric tonnes as against this in the year 1985 the total production was 7800 metric tonnes. Total number of oil engines produced in the year 1974 were 1300 but in year 1985 it was increased by 6700 and total production has come to 8000 oil engines.

Total turnover was of Rs. 10 Lakhs in the year 1970 but in 1985 it was Rs. 980 Lakhs. Gross Profit before tax, depreciation investment allowance was nearly 100 lakhs in the year 1982 and in the year 1985 it was of Rs. 180 Lakhs. Thus there is an increase in profit by Rs. 80 Lakhs.

2.7 FUTURE PLANS :

As Menon and Menon we find an unending commitment to growth. A master plan of growth is in an advanced stage of execution and the phase-wise programme is as under :-

In the first phase, foundry capacity 10,000 metric tonnes and matching machining facilities, as well as automotive grade high duty castings, heavy automotive grade casting made by latest no-bake process, S.G. Iron castings both heavy light.

In the second phase the foundry capacity will be made to the extent of 15000 metric tonnes and high duty automotive grade castings made by the latest high pressure moulding process with foreign know-how, further expansion of S.G. iron casting, machine building with foreign collaboration.

In the third phase the foundry capacity will be 30,000 metric tonnes mass production of light automotive and high duty casting by using the latest flaskless moulding process, non-ferrous casting, especially aluminium castings using high and medium pressure die casting process, expansion of tool room capacity to cater to the outside requirement. This phase will be completed by 1990.

For this growth plan, a new complex is being set up at Amboli. 216 acres of land have been acquired and work continues. Industrial licence and substantial government support have been assured.

2.8 ORGANISATIONAL STRUCTURE :

Menon and Menon is a private limited company. Naturally Board of Directors is the highest controlling authority. There are two chief officers, one is the General Manager and another is the Chief Executive. There is joint General Manager also. There are in all five departments. Each department is headed by one assistant manager. All these assistant managers are responsible to Joint General Manager. The Chief Executive is assisted by Plant Engineer and Project Officer.

The important Executive of the company are as under :-

- i) Manager, Management Services.
- ii) Assistant Purchases Manager
- iii), Works Manager.
- iv) Finance Manager
- v) Marketing Manager.

Works Manager is assisted by the following officers :-

- i) Store Officers.
- ii) Production Manager
- iii) Assistant Foundry Manager.
- iv) Assistant Manager, Machine-shop
- v) Plant Engineer
- vi) Quality Control Manager
- vii) Labour Officer
- viii) Welfare Officer.

FUNCTIONS OF VARIOUS DEPARTMENTS :

i) Industrial Engineering -

a) Time Studies :

This is one of the basic function of the Industrial Engineering Department. It seems that the employees work for full working hours. It undertakes the time studies and

thus set standard times for different operations.

b) Suggestion Scheme :

They receive suggestions from the employees, on which they make a thorough study and if they find the suggestion suitable, they accept it and reward the person who suggested that particular scheme.

c) Manpower requirements :

The department looks after the manpower requirements of the company.

d) Trainee Engineers and Vocational Trainee :

This department provides training facilities to newly appointed engineers and vocational trainees.

ii) Production planning and control :

The planning of the production in the machine shop is done by this department. It estimates the demand for goods, prepare production plan, sets production rate and control the production.

iii) Production Department :

As the name indicates this department looks after the production. As per the instructions

given by the production planning and control department this department arranges production of different products, tests it, collects it and tries to meet the demands.

iv) Chief Engineering :

This department is engaged in drawing and designing of products, quality control, development of designs etc.

v) Foundry Department :

The function of this department is to prepare the castings of various components.

vi) Watch and Ward :

This department looks after the security of the company assets and employee.

vii) Commercial Department :

This department looks after the purchase, sales , advertisement and sales promotion and customers services.

viii) Budget and Computer Department :

Budget department is engaged with preparation of sales budget, production budget etc.

Computer Section looks after the computerisation

of information and retention of
information.

ix) Personnel Department :

Personnel department is engaged in the
following functions :-

- a) Recruitment
- b) Supervision of Welfare Activities
- c) Grievance handling.
- d) Collective bargaining and discussion
with trade unions etc.
- e) Discipline
- f) Evaluation of employees.
- g) Wage and salary administration.
- h) Promotion, demotion, transfer of the
employees.
- i) Maintaining personnel record etc.

2.9 ORGANISATION CHART

BOARD OF DIRECTORS

