

CHAPTER THREE

PROFILE OF THE REGION AND ORGANISATION COVERED UNDER STUDY

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UNDER STUDY**

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CHAPTER - 3

PROFILE OF THE REGION AND ORGANISATION COVER UNDER STUDY

3. 1. INTRODUCTION

In this chapter in the beginning brief idea of the region in which the unit under study is located has been given and in the latter part of the chapter historical background of the organisation is presented. At the same time information about the product, sale, organizational surroundings are also given in order to understand full idea of the environment in which the organisation under study has been operating.

3.2 PROFILE OF KOLHAPUR DISTRICT

a) Location

Kolhapur District is one of the six districts of Pune Division, situated on the South West fringe of Maharashtra State and lies between 15 degree to 17 degree.

North latitude and 73 deg. to 74 deg. east longitude. Karveer is a another name of the town Kolhapur and it is shown as Tahasil. It is forty miles to the west of Sangli Dist. and border of Kagal, Hatkanangale and Panhala Tahasil.

b) As per the 1991 census the total population in Karveer Tahasil is shown in the following Table no.

TABLE SHOWING THE POPULATION OF THE KARVEER.

T. No.3:1

SEX	RURAL	URBAN	TOTAL
MALE	---	---	12,55,000
FEMALE	---	---	12,09,000
TOTAL	18,43,000	6,21,000	24,64,000

c) River

In Karveer Tahasil, the chief river is Panchaganga, which rises three mails away from Kolhapur. Warana, Bhogawati, Dudhganga, Wedganga are the other rivers.

d) RAINFALL

The study of rainfall is also most important. The meager rainfall is received from south west as well as north east mansion. The analysis of rainfall data during the year 1989 and 1990 are shown in the following table.

TABLE SHOWING RAINFALL DURING THE PERIOD (1989-90)

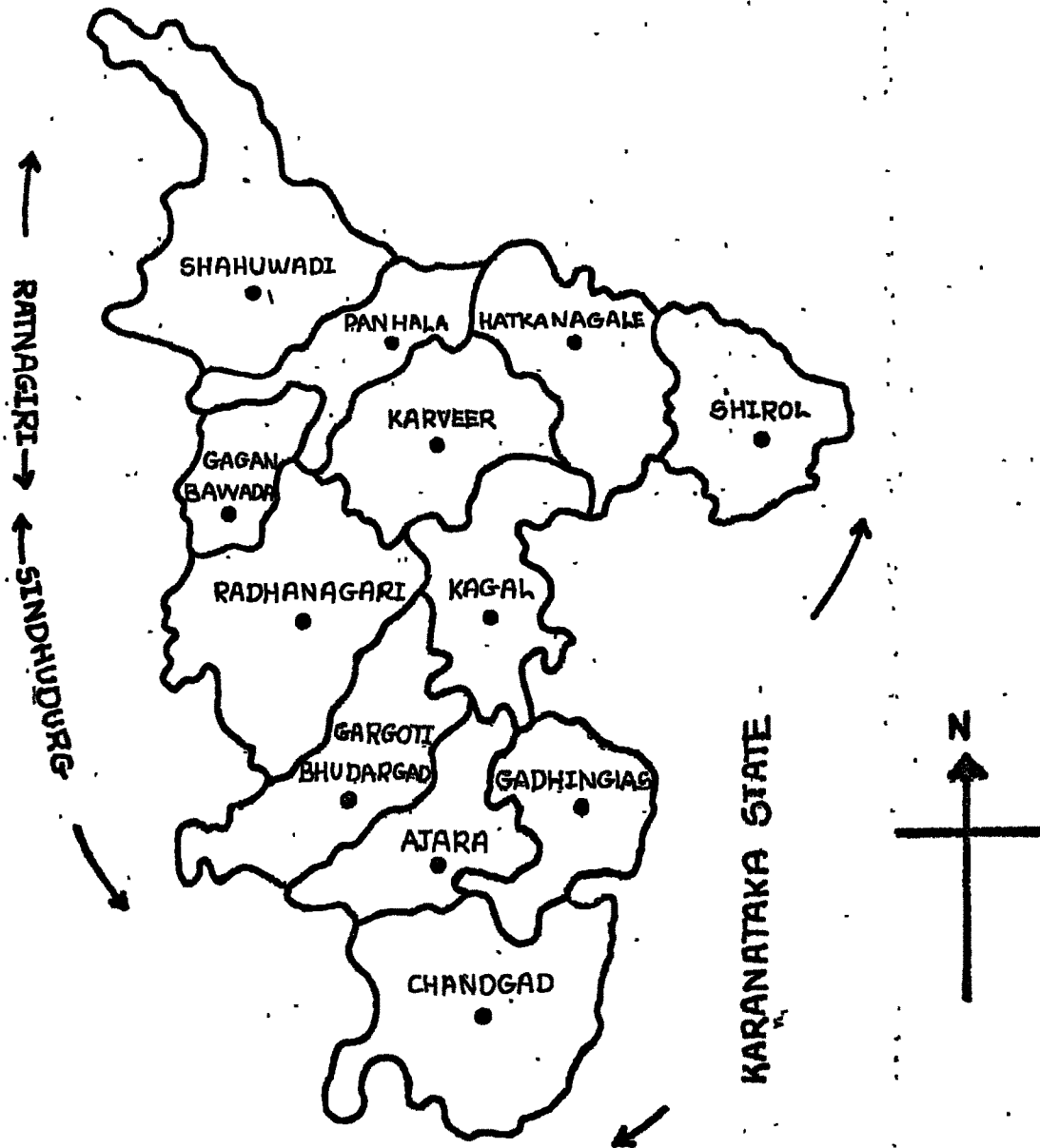
T. No: 3:2

Months	Rainfall (in Millimeter)	
	1989	1990
June	224.3	63.1
July	221.2	330.5
August	101.4	193.3
September	107.0	171.0
October	20.0	60.0
November	---	---
December	---	---

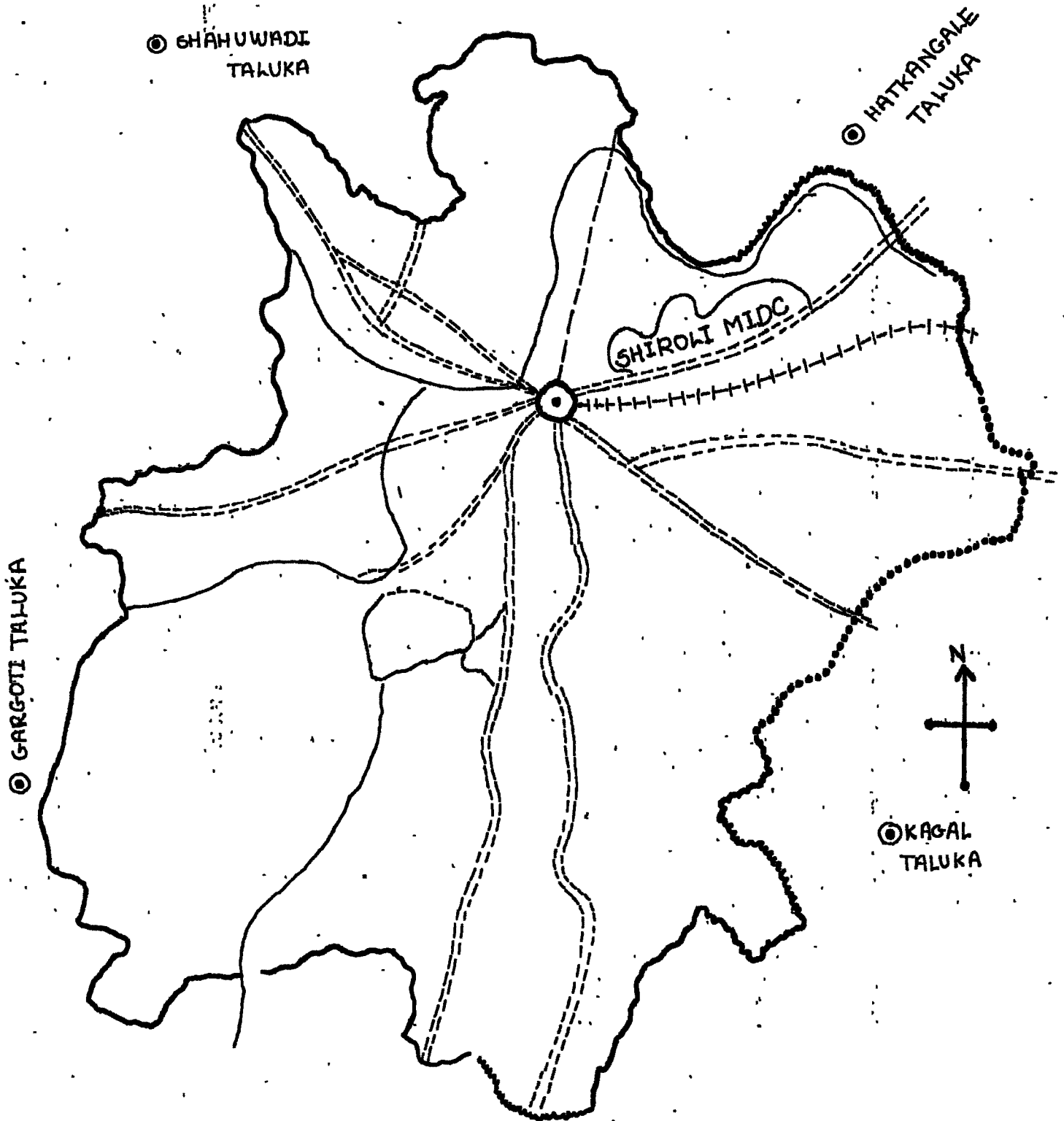
e) TOPOGRAPHY

There is an important hill system in the Karveer Tahasil. The topography of the tahasil belongs to western zone of the Kolhapur Dist.

KOLHAPUR DISTRICT



KARVEER TALUKA



3.3. PROFILE OF THE ORGANISATION

3.3.A. HISTORICAL PERSPECTIVE

Here historical background of M/S MPIL Shiroli, has been studied along with general performance and it's growth during the period of 1982 to 1988.

M/s. MPIL was established in the year 1971, when the Govt. of India gave a press note intimating entrepreneurs to come forward in the field of printing machines. This was a virgin field and no development had taken place inspite of the progress made by the country in other engineering fields. This company took up the challenge and established the most sophisticated plant at Kolhapur in Maharashtra State. Since the manufacture of printing machines is a highly complex and sophisticated one, next only to Aeronautical Industry in the matter of precision, the requirement of printing machines in India was largely met from imports. On account of high precision and capital incentive industry few ventured to enter into the industry. The Govt. owned M/s. Hindusthan Machine Tools Limited, took up manufacture of printing machines but they are not able to meet the demand of the country only to a limited extent.

M/s. MPIL is the only public limited company in our country exclusively floated for development and manufacturing of printing machines, in India accounting for more than 60% of their production. The company entered into a technical collaboration with M/s. VEB Polygraph, GDR, through M/s. Polygraph Export Import, GDR, and commenced production of company ii printing machines in 1975 and "WEB OFFSET printing machine OR 62 in December 1976. M/s. MPIL of their own designed and developed indigenous GRAFART printing machines and successfully commenced the commercial production in 1977. They had also indigenously designed and developed superior "SHEET FED OFFSET PRINTING MACHINES . PO 25 and PO 36". Recently company has developed "TWO COLOUR SHEET FED OFFSET PRINTING MACHINE MODEL PO 225." Another WEB OFFSET PRINTING MACHINE of higher range called ZIRKON-66 was developed in collaboration with M/s. VEB Polygraph GDR, through M/s. Polygraph Export Import GDR and successfully started the commercial production in the year 1986.

In a short span of 16 years the company has developed a variety of printing machines and have shown consistent growth in sales as well as export performance. The export turnover % ratio of M/s. MPIL is given in the following table.

TABLE SHOWING THE EXPORT TO TURNOVER % RATIO OF LAST 8 YEARS.

T. No. 2:3

YEAR	PERCENTAGE
1981-1982	42%
1982-1983	62%
1983-1984	42%
1984-1985	67%
1985-1986	71%
1986-1987	47%
1987-1988	68%

3.3.B. REGISTRATION

M/s. MPIL is an public limited company. The date of incorporation registration is 25th April 1972.

3.3.C. FACTORY LOCATION

Avery well designed and furnished factory is situated in M.I.D.C., Shirol Industrial Area, Kolhapur. There is a regular transport - Municipal as well as State between Kolhapur city and the industrial area. Majority of the labour force commutes every day from nearby villages/towns/cities. There is no living accommodation available at the factory premises or at Shirol.

3.3. D. AIMS AND OBJECTIVES

M/s. MPIL, a public limited concern was registered in 1971 with the main objectives of manufacturing of printing and allied machinery, as stipulated in company's memorandum.

3.3. E. FACTORY LAYOUT

The layout of the factory is some what similar to the that of the collaborator's M/s. Polygraph, GDR. A big assembly shop compared to all other production and service departments, is the outcome of heavy reliance on ancillary units for manufacturing items. Well furnished departments, use of scientific approach and techniques in all activities, awareness of quality and economy at all levels distinguishes M/s. MPIL from many other bigger units in and around Kolhapur.

3.3. F. ORGANISATIONAL SET-UP

Printing machine manufacturing is highly labour oriented machine building industry. Adequate manpower in the categories like unskilled, semi-skilled, skilled, highly skilled master-mechanic, etc., is provided for each type of product. The above workmen work under other levels of management like foremen, supervisors, officers, engineers, Asst. Managers, Deputy Managers, Chief Accountant, etc. The highest rank at the factory organisation level is General manager (Works). The corporate registered office in Bombay at Nariman Point, runs with a team of 50 employees headed by Executive Director. The office is engaged in activities like financial planning, secretarial work, importation, purchasing, etc.

3.3.G. ABOUT THE PRODUCT.

The manufacturing programme encompasses a wide range of sophisticated printing machines. Manugraph Industries Limited is all set to establish itself as the foremost manufacture. Following are the products in details:

1. The first product of the company is "Auto cyclinder stop letter press (OM11)". It is an automatic cylinder printing machine. The production started in December 1974 and the first OM11 printing machine realized in the market in July 1975. It is high speed, reliable for easily operated machine. This machine is useful for small, medium and large printing establishment. It is ideal for the production of all printing materials of high quality. For the time being more than 379 machines are operating satisfactorily in leading press units in the world. This machine can produce and prints 3600 sheets per hour.

2. The second product of the company is "Platen Type Letter Press (GRAFART)." This product design has been developed and manufactured by the company without any foreign collaboration. Its maximum output is 5000 printed sheets per hour. The Indian Govt. is granted a license to this company to manufacture different type of printing machines.

3. The third product of the company is "Web offset Printing Machine and Allied Equipment (RO 62 and ZIRKON 66)." It is India's first and one of the world best web fed offset machine. It offers a number of combinations from one to six printing units. It is accepted by well known printers here and abroad. It is accepted by well known printers here and abroad. It is advantages due to it's flexibility of working from reel to sheet, reel to folded signature and reel to reel. Such type of machine is suitable for the multi colour printing of the magazines, text books periodicals, packing materials posters, etc. This product come in the market in December 1976. There are more than 1710 multi colour printing machines installed in India. It's maximum output is 15000 printing sheets per hour.

The fourth product of the company is "Sheet Fed Offset Printing Machine (PO 25 & PO 36)." It is a single colour sheet fed offset press. It ensures perfect registration at the highest speed 7500 IPH. Its main characteristics are increased productivity and flexibility of operations.

The fifth product of the company is "Sewing Machine" which is a recent development. Along with the products stated above company is also engaged with the manufacture of "Component side frames". The population of M/s. MPIL manufactured product in the world is shown in the following table.

Table showing the population of products manufactured by M/s. MPIL in the world. (As on 30th June 1988)

T. NO. 24

S_No.	Product	In India	Out side of India	Total
1.	OM 11 Letter Press	347	32	379
2.	Grafart Platen Press	182	67	249
3.	Single colour offset P025	135	2	137
4.	Single colour offset P036	20	1	21
5.	Web offset RO 62	409	1196	1605
6.	Web offset ZIRKON 66	21	31	52
7.	Stationary folder RO 62	8	42	50
8.	Stationary folder ZIRKON	2	11	13
Total		1124	1382	2506

3.4. PERFORMANCE

MPIL, has become the number one company in India as a manufacturer of printing machines. In a short span of 10 years the company developed 6 different products and shown consistent growth in total sales, its export performance, which is evident from the performance highlights given below :

103 percent increase in total turnover and profit in five years.

242 percent increase in export sales in five years.

3.4.A. GROWTH STRATEGY

Compound growth of 20 percent is achieved in last five years and compound growth of 30 percent is planned for next five years. The company has already prepared a master plan for next five years for new products to be introduced and the related expansion activities to cope up with increased turnover.

3.4.B. PLANT GROWTH

For planning the growth of the manufacturing unit, a separate cell is formed, who are always engaged in planning for next five years. A two years concrete plan for expansion is always ready and provisions for financial arrangements and procurement activities are taken care of by this cell.

Apart from this cell, every department is having their plans for the growth. Thus, every department is looking ahead for the activities of next five years and having their own blue-print of growth plan ready.

3.4.C. PRODUCT GROWTH

In last ten years since inception, company has been successful in building up the complete setup and introduced six products, of which three are with foreign collaboration company strategy of building technology both by collaboration and by R & D will continue. In the long run, the efforts are to continue more on R & D than collaboration.

3.4.D. SALES GROWTH

The export sale of 70 percent is already achieved. The company will endeavor in their growth plan to maintain the same ratio of export sales. For export promotion and the diversify exports in western countries, the actions are already taken. The sales forefeet of last five years.

3.5 MANAGERIAL ASPECT

3.5.A. BOARD OF DIRECTORS²

Sanat M. Shah (Chairman)
Vijaychandra N. Cantol
Krishnakumar M. Daiya
Harshad H. Vesa
Jayant C. Vakil
S.Padmanabhan (Nominee of SICOM)
Ashvin B. Zaveri (Whole - Time Director)
Jitendra N. Mehrotra
Sanjay S. Shah
Pradeep S. Shah.

3.5.B. CATEGORY-WISE STRENGTH AND PAYSACLE

Table showing managerial strength of M/s. MPIL as on 31st March 1998.

MANAGERIAL

Whole Time Director	1
General Manager (Works)	1
Divisional Manger (Web fed Machines)	1
Manufacturing	
Sheet fed Machines	1
Chief Accountant	1
Company Secretary	1
Manager (Design and Devp.)	1
Purchase	1
Dy. Manager (P.E.)	1
Admn and IR	1
Maint	1
Purchases	1
Quality Control	1
Sub Contract	1
Stores	1
Asst. Accountant	1

TABLE NO.3:5

TABLE SHOWING THE SALES OF LAST FIVE YEARS

SR_NO	YEAR	SALES (Rs. IN LAKHS)
1	1986-87	1147.57
2	1987-88	1603.22
3	1988-89	1444.64
4	1989-90	1899.47
5	1990-91	2465.65

PAY SCALES

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	Rs.
Cost of Leaving Allowance	28.30 per day 735.80 per month
House Rent Allowance	30.00 per month
Medical Allowance	70.00 per month
Leave Travel Allowance	150.00 per month
Educational Allowance	20.00 per month
Production Incentive	78.00 per month
Convanche Allowance	0 to 10 Kms. 75.00 10 to 14 Kms. 95.00 Above 15 Kms. 115.00

TABLE NO. 3.6

EFFECTIVE FROM - 1st JANUARY 1988.

Sr_No	GRADE	CODE	CATEGORY	S C A L E S			
1	MGIVA		8 JR. ENGINEER	800 - 50 - 1050 - 60 - 1350 - EB - 85 - 1775 - 85 - 2200 (20)			
2	MGIVB		7 ASST. ENGINEER	750 - 60 - 1250 - 85 - 1675 - EB - 110 - 2225			(15)
3	MGIVC		6 SR. ENGINEER	1050 - 85 - 1475 - 110 - 2025 - EB - 135 - 2700			(15)
4	MG-III		5 SUPVT. ENGINEER	1475 - 110 - 2025 - 135 - 2700 - EB - 150 - 3450			(15)

ALLOWANCE

Sr_No	ALLOWANCE	MGIVA	MGIVB	MGIVC	MG-III
1	Dearness Allowance	200 Variable	200+Variable	200+Variable	200+Variable
2	House Rent Allowance	10% of the basic	10% of the basic	12% of the basic	12% of the basic
3	Medical Allowance	100.00 p.m. (1200)	100.00 p.m. (1200)	125.00 OR 8.33%	8.33% of the basic
4	Leave Travel Assistance	1000.00 per annum	1000.00 per annum	2100.00	2100/8.33% whichever is higher
5	Reimb. of Petrol Expenses	125.00 per month	150.00 per month	175.00 per month	175.00 per month
6	Production Incentive	78.00 per month	78.00 per month	78.00 per month	78.00 per month

CONVEYANCE ALLOWANCE : Those who are not entitled for Reimb. of Petrol Expenses will be paid Conveyance Allowance as per the rules.

TABLE NO.3:7

REVISED SCALES - MANAGERIAL STAFF
EFFECTIVE FROM 1st JANUARY, 1988.

Sr_No	GRADE	CODE	CATEGORY	S C A L E S			
1	MG-II		4 ASST.MANAGER	1700 - 125	2200 - EB	150 - 2800	175 - 3500 EB - 175 - 4200
2	MBI-C		3 DEPUTY MANAGER	1900 - 150	2500 - EB	175 - 3200	200 - 4000 - EB - 200 - 4800
3	MBI-B		2 SR.MANAGER/DIV.MANAGER	2200 - 175	2900 - EB	200 - 3300	225 - 4200 - EB - 225 - 5100
4	MBI-A		1 DIVISIONAL MANAGER	2500 - 200	3300 - EB	225 - 3750	250 - 5000 - EB - 250 - 6000

ALLOWANCES

Sr_No	ALLOWANCES	MG-II	MG-IC	MG-IB	MG-IA
1	Dearness Allowance	200+Variable	200+Variable	200+Variable	200+Variable
2	House Rent Allowance	20% of Basic	20% of basic	20% of Basic	20% of basic
3	Medical Allowance	8.33% P.a.	8.33% P.a.	8.33% P.a.	8.33% P.a.
4	Leave Travel Assistance	8.33% P.a.	8.33% P.a.	8.33% P.a.	8.33% P.a.

TABLE NO. 3:8

NEW SCALES/GRADES OF BARG. CATEGORY EFF. FROM 01.01.88

Sr.No	CATEGORY	GRADE	S C A L E
1	Un-Skilled	MR-1	260-06-290-07-325-08-365-10-415-12-475-14-545
2	Semi-Skilled	MR-2B	275-08-315-10-365-12-425-14-495-17-520-20-600
3	Semi-Skilled	MR2B1	300-10-350-12-410-14-480-17-565-20-645-23-780
4	Semi-Skilled	MR-2A	325-12-385-14-455-17-540-20-640-23-755-26-885
5	Skilled	MR-3	350-14-420-17-505-20-605-23-720-27-855-31-1010
6	Skilled	MR-4	400-17-485-20-585-23-700-27-835-31-990-35-1165
7	Skilled	MR-5	440-20-540-23-655-27-790-31-945-35-1120-39-1315
8	H. Skilled	MR-6	475-23-590-27-725-31-885-35-1055-39-1250-43-1465
9	H. Skilled	MR-7	510-27-645-31-800-35-975-39-1170-43-1385-48-1625
10	Other Jr. Staff	MR8II	310-12-370-14-440-16-520-19-615-22-725-25-850
11	Other Jr. Staff	MR8II1	325-15-400-18-490-21-595-24-715-28-855-32-1015
12	Other Jr. Staff	MR8I	350-18-440-21-545-24-665-28-805-33-970-38-1160
13	Other Sr. Staff	MR-8	440-22-550-26-680-31-835-36-1015-41-1220-46-1450
14	Other Sr. Staff	MR-8 Sp1.	500-26-630-31-785-36-965-41-1170-46-1400-52-1660
15	Sr. Sup. Staff	MR-C	575-32-735-38-925-44-1145-50-1395-57-1680-64-2000
16	Sr. Sup. Staff	MR-C Sp1.	650-40-850-47-1085-54-1355-62-1665-70-2015-78-2405