

## MUTEEB ELECTRICAL INDUSTRIES – AN ENTREPRENEURIAL CASE STUDY

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### ABSTRACT

The case study is based on Muteeb Electrical Industries, a manufacturer of electrical products in Kashmir. The data has been primarily collected through personal interviews with the sole proprietor and his key employees. Online sources and official records of the firm have also been tapped for collection of secondary information on the subject. The case study entails the entrepreneurial journey of a person who perceived himself to be a misfit by opposing the dominant conventions within his family. Subsequently, the entrepreneur stood out of the crowd by setting up his enterprise under individual entrepreneurship and sustained in the market against all odds. The present study provides a base for the prospective entrepreneurs through the success story of the an entrepreneur whose pioneering business venture in Kashmir witnesses political instability and dissension that struck his business into white water rapids, yet the entrepreneur strategically emerged to success despite of unlikelyhood and discontent.

**Key Words:** Entrepreneur, sole proprietorship, import substitution policy, competitive Advantage

### Introduction

Mr. Manzoor Ahmad Khan acclaimed in the industry swathe of the business coteries in Kashmir for his BIS (Bureau of Indian Standards) certification. A graduate in Arts from University of Kashmir, Jammu & Kashmir, India, he was widely known as rebel in the family which had a familial tradition of government services. He was often reproached for giving up government job after one year and was treated as a loathsome butt in the family. But Mr. Manzoor ever forethought about treatment from the family towards him for going against the tide. He reckoned on himself and desired to dream a world of his own, where he could up bring into existence something worth appreciation. One fine gusty morning of April 9, 1980 when Mr. Manzoor was relishing his morning tea, his mind was ignited with sudden flashes of productive ideas for his future with which he could serve the society by being an ideal aspiration. The dreams were cooped up to him as he had a limited source of his living and that was a job at electronic division of SIDCO Shalteng Electric Unit, Shalteng, Srinagar Kashmir. The job paid him lucratively but Mr. Manzoor Khan, a graduate in Arts from University of Kashmir, Jammu & Kashmir, India was unsure about pursuing his career in this job as his ideas and goals were totally contrary to what the job demanded. After a period of 8 months, he left the job and joined LIC Insurance Company for a year but destiny had something else for him. He was always making an effort to have a financial and independent life where he would be his own boss. Striving for a promising future, Mr. Manzoor's struggle finally initiated a unit under sole proprietorship at Sanatnagar industrial estate in the year 1983. This was a point at which decisive change occurred in his life and an evident arrival of dawn with new challenges begun where he could

have both financially secure and independent subsistence. The unit was all set and the production of various items like fabrication jobs, channelling and crate wires started in 1987, when the unit was fully operational under the banner of Chinar Steel Industries.

Everything was going in an equitable way and the demand was pulling in the market as per the expectations of Mr. Manzoor everything came to halt in the year 1989 when Kashmir turned into a strife torn valley by the rise of militancy. The period from the year 1989-1992 witnessed a depression phase in business which led the entrepreneur into a deep thought of distress due to the risk of political instability in Kashmir which affected his newly established unit.

### **Reshaping Future**

Determined with a firm notion of self belief and perseverance, Mr. Manzoor didn't give up in times of low ebb instead a new idea conceived on his mind and aroused a hope to work upon it strategically. This was way back in the year 1993, crude boilers were common to boil the water in every household of Kashmir. It usually carried negative current towards the electricity supplying transformers, deficient of a tripping system, the water usually used to turn rusty, which was harmful both for use in drinking and other purposes. This hit his curious mind where a creative idea metamorphose into an invention, addressing need of the hour, which would help save electricity. The electricity supplying transformers and the energy generated out of them would help the people rescue from sufferings caused by the electric cuts lasting through several months due to the damage of electricity supplying transformers. Mr. Manzoor's entrepreneurial intelligence perceived well that there was a need of an invention which could change the course of time.

### **A period of Renaissance**

The entrepreneur perceived a window of opportunity that could sustain as a competitive advantage for him in the future and he started to survey the geyser market. He found that 300-400 geysers were consumed by a niche which included a special class of people and the government departments in Kashmir at that time. During the reconnaissance operations seeking new research pursuits, he met people in and out of the state connected with geyser manufacturing and managed to get some basic inputs for his product prototype development.

Ensuring an investment of time, hard efforts and a fair amount of capital on research and development, Mr. Manzoor was able to guide his workers to reach the desired goal. The journey was extremely hard and he was never overwhelmed by any negative thought. He succeeded in inventing the valleys first geyser named as Jupiton Geysers in 1998 under the banner of Muteeb Electrical Industries (exhibit 1.1 depicts factsheet of Muteeb Electrical Industries). This revolutionary product swiped the market of valley as it was economical, long lasting and quite resistant. In the year 2007 Jupiton was awarded as 'Best Industrialist' with gold medal citation and a cheque amount of Rs. 51000/- was given by Mr. Srinivas Kumar Sinha, the then Governor of Jammu &

Kashmir and Congress leader Mr. Ghulam Nabi Azad. This was the first time since 1947 when a private run product was honoured with a state award. Jupiton is the only BIS approved product of the state, which is one of the reasons of its credibility in the market. Jupiton’s share in the electrical water heater market is quite visible nowadays. The entrepreneur claims that it has reduced the imports to a large extent, yet there has to be some kind of import substitution policy in place because the market in Jammu & Kashmir is surged with the products from North India for which geyser manufacturing is a seasonal activity and comparatively Jammu & Kashmir is still in a primordial phase.

<b>Exhibit-1.1: Fact Sheet</b>	
<b>Muteeb Electrical Industries</b>	
<b>No.19-B, Sanatnagar Industrial Estate, Kashmir 190015, Jammu &amp; Kashmir, India</b>	
Nature of Business	Manufacturer
Chief Executive Officer (CEO)	Mr. Fiyaz Ahmad
Year of establishment	1998
Legal Status of the Firm	Sole Proprietorship

Source: <https://m.indiamart.com/muteebelectricals/aboutus.html>

### **Product Mix**

The entrepreneur has tried to make Jupiton a quality product, which keeps the consumers away from the nuisance of recurring after sales service. Jupiton has been invented as energy efficient geyser and functions consistently for 8-10 years without any technical problems. The capsules, inputs and assemblies are of standard qualities which have helped Mr. Manzoor attain BIS certification(exhibit 1.5 illustrates the work module of Jupiton geysers) elaborates the work module of geyser manufacturing. The product mix of Muteeb Electricals include Jupitonwater heaters, electrical instant geysers, solar geysers, storage electric geysers, gas geysers (exhibit 1.2 shows demand of Jupiton geysers in lakhs). In addition, fabrication jobs, channelling and crate wires are also manufactured in Chinar Electrical Industries.

Sagacious in nature, Mr. Manzoor is an aggressive entrepreneur, open to opportunities, taking initiative in new ventures. He is participative in his management style and believes in innovation by enabling his workers and himself collaborate through experimentation in new things for research and development, which is an sustainable element for an entrepreneur in the long run (exhibit 1.3 and 1.4 display workforce remuneration and profit and loss statement of Muteeb Electrical Industries respectively).

## Discussion

Initially the market was tapped by the products of Venus and Racold and gradually there was a mushroom growth from other parts of India raising the competition especially during high peak season. Undoubtedly, products of Jupiton earlier faced low market response due to consumer preference for other brands available in the market. Later on the quality of the Jupiton products was improved to meet the customer requirement and the demand subsequently increased. Strategies in handling challenges from time to time, competition and nature of the market were some of the issues Mr. Manzoor had to constantly put efforts for. The firm has plans to export Jupiton products worldwide in the future. The firm has also manufactured battery operated auto which are on the commercialisation phase. Due to high competition in the market, the firm has also expanded manpower in order to match the demand for its products.

As the business swelled overtime, it is evidently discerned that it was the entrepreneurial qualities of Mr. Manzoor that actually enhanced the chances of the survival of his venture despite of the fact that there were some environmental factors that could have proven critical for his business enterprise. The extreme devotion and self belief of Mr. Manzoor substantiate the true nature of a pure entrepreneur in him whose vigorous endeavours were also accredited by the state government itself. However, the entrepreneur acknowledges the fact that government undeniably plays a catalytic role in regulating the growth and development of small business organisations.

### **Exhibit 1.2: Demand of Jupiton Geysers in lakhs**

<b>Year</b>	<b>Demand in Lakhs</b>
<b>2011-12</b>	<b>.50</b>
<b>2012-13</b>	<b>3.80</b>
<b>2013-14</b>	<b>4.00</b>
<b>2014-15</b>	<b>4.90</b>
<b>2015-16</b>	<b>4.95</b>
<b>2016-17</b>	<b>2.25</b>
<b>2017-18</b>	<b>4.45</b>
<b>2018-19</b>	<b>5.14</b>

**Record Files**

Work Type	Number	Monthly Salary	Total Monthly Salary
Skilled Workers	6	15000	90000
Semi Skilled Workers	4	12000	48000
Accountant	1	8000	8000
Salesmen	2	10000	20000
Driver	1	12000	12000
Security Guard	1	8000	8000
Total	16	65000	186000

### Exhibit 1.3: Work force Remuneration

### Exhibit 1.4: Profit & Loss Account (Muteeb Electrical Industries)

	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2020
Sales	20004,000	21,320,000	65,60,000	22,135,752	24,536,982	8,148,693	21298410
Cost of Sales	95,00,300	9,800,000	9600,000	97,56,000	10,183,462	10,634,215	10493108
Gross Profit/Loss	1,050,3700	11,520,000	(3040000)	1,23,79752	14353520	2,485,522	10805302
Gross Profit	52.5%	54%	(31.5%)	56%	58.5%	(23)%	51%
Overheads:							
Staff	346,000	355,000	336,000	349,832	360,980	361,481	362,598
Production	410,000	420,645	450,000	451,638	456,983	381,570	443,690
Premises	98,000	110,000	86,000	85,960	125,081	148,960	136,210
Transport Expenses	424,765	365,000	440,000	400,900	435,060	420,160	423,650
Selling & Promotion Expenses	286,456	293,000	210,000	280,000	240,000	210,000	229,490

General Expenses	350,000	480,000	300,000	340,000	395830	400,780	410,530
Finance	465,897	355,000	380,000	350,000	410,000	380,650	405,060
Depreciation	410,658	325,000	396,000	310,500	320,560	489,460	410,000
Total Overheads	2,791,776	2,703,645	(2,598,000)	2,218,830	2,423,934	(2793061)	2821228
Net Profit (loss) Before Tax	7,711,924	8,816,355	(5,638,000)	10,160,922	11,929,586	(5278583)	7984074

Source: Record Files

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