

**Commissioner of Industries
Hyderabad
Andhra Pradesh**

Poly Coir

I. Introduction

A very important coconut-based by-product, coir is used only for rope and mat making. However, coir ropes and mats are being replaced by synthetic materials which are cheaper and stronger. Regional Research Laboratory, Trivandrum has developed a new product from coir fibre reinforced with resin which is now known as "Poly Coir". Poly Coir is a composite of the needle felt coir fibre bound with phenol formaldehyde resin. It has been developed in collaboration with the Coir Board. It is a wood substitute used in buildings as door and window panels.

In Andhra Pradesh with 90,000 hectares and producing 1231.4 million nuts respectively. The important coconut growing districts in the State are East Godavari, West Godavari, Srikakulam, Chittoor, Visakapatnam and Vizianagaram.

II. Market Status and Scope

As already informed in the earlier paragraph the poly-coir is a wood substitute and can be replaced by the use of conventional items used at present. The range of products at possible are door panels, panelings, chair shells, instrument panel covers, automotive interior parts etc. A demonstration plant for production of polycoir sheets has been commissioned at Coir Research Institute, Bangalore and the products manufactured have attracted the prospective buyers.

In view of the quality of the product there is good market potential for poly coir product in the country. Suggested locations to establish the unit are **East Godavari, West Godavari, Srikakulam, Chittoor, Visakapatnam and Vizianagaram**. Presently there is no unit in the state and hence there is a good market potential

III. Installed Capacity

The proposed project shall have an annual installed capacity of 750 tonnes of poly coir products

IV. Project Cost

	(Rs. lakhs)
Land	7.50
Buildings & Civil Works	50.00
Plant & Machinery	100.00
Other Fixed Assets	35.00
Technical Knowhow	3.00
Prel. & Pre-op. Expenses	24.68
Margin Money for W.C.	13.68
Deposits, Rent etc.	10.00
Contingencies	14.50

Total:	258.35
Means of Finance:	
Promoter's Equity	99.32
Term Loan	159.03
Total:	258.35

V. Cost of Production and Profitability (3rd year of operation)

Cost of Production:	(Rs.in Lakhs)
1. Raw Materials	208.80
2. Consumables	1.95
3. Utilities	14.88
4. Salary & Wages - Prodn.	7.82
5. Packing Materials	3.90
6. Repairs & Maintenance	2.21
7. Depreciation	8.20
8. Telephone & Posts	1.95
9. Selling Expenses	3.90
10. Admn. Salaries	3.14
11. Admn. Overheads	4.88
12. Pop Expn. Written Off*	2.47
13. Interest on Term Loans	19.31
14. Interest on Working Capital Loan	8.77
Total:	294.18
Net Sales @ Rs.65,000 per ton	Rs. 390.00 Lakhs
Profit before Tax	Rs. 95.82 Lakhs
Debt Service Coverage Ratio (DSCR) ..	1.86
Break Even Point: % at Installed Capacity..	25.89
Cumulative Cash Surplus at the end of 5th year ..	Rs. 247.83 Lakhs