

1. INTRODUCTION

II. Kerala in general and Cochin in particular is experiencing a revival economy. The commencement of operations of Nedumbassery Airport and various infrastructure projects at Vallarpadam provided a strong thrust to economic activity.

III. Historically Cochin has been and still is the commercial capital and the most cosmopolitan of the state cities. Easy accessibility by land, rail and sea is the major factor in making Cochin the commercial capital of Kerala.

1.3. The promoters of Merino Polymers are three qualified and experienced men Mr.N.A. ANISE Managing Partner, Mr. PRINCE FRANCIS, Mr.BALANARAYAN NAIR got into partnership in 2001 to start the business of Manufacturers and exporters of Extruded and Molded rubber components in the Trade Mark "MERPOL" Details of Products can be had from the website www.merpol.in. Presently the company is supplying to OEM and have a good share in the replacement market.

1.4. Company has good response from National and International market for the High pressure Hoses, Diaphragms, Printing rollers etc. Now expansion and diversification of the unit is planned by adding these products and for this purpose present facilities are not sufficient. Unit is now working in a Leased Building in a Residential Area and there is restriction for the expansion.

2. LOCATION

2.1. The location of New Plant on Rubber Park , Perumbavoor is about 35 kms. away from Cochin city and the constitution of new Firm is Private Limited company.

3. PROJECT COST

3.1. NSIC had sanctioned a term loan of Rs. 5lakhs which was fully cleared in Financial year 2005-06, Now the book value of machinery as per books of account is around Rs.18 lakhs whose replacement value would be over Rs.40 lakhs. Promoters now decided to invest Rs.80 lacs for the expansion and diversification. Company invites Fixed Deposits from NRI's for a minimum period of 5 years of Rs.1 lakh minimum and thereafter in multiples of Rs.50,000/-. The deposit will carry an interest of 10% per annum. Interest of the principal amount will be given every month.

4. SOURCE OF FINANCE

4.1. The source of finance apart from the initial term loan from NSIC were entirely from partner's own source and internal generation from operation of the unit.

5. MARKETING AND PROMOTION

5.1 The location and the high visibility is the USP of this project.

IV. The unit has registered with various trade associations and there have been good response.

V. Over the years the unit has established a reputation for its high quality products and has regular clients who give repeat orders.

8. EXPENSES

8.1 The major expense of the unit around 55% of the turnover is on the purchase of materials.

8.2. Wages around 8% of the turnover constitutes the next major expense.

9. PROFITABILITY

The key assumptions underlying the profitability estimates are as follows.

I. Sales is assumed to increase by 100% after expansion & diversification and 15% increase in subsequent years

VI. Manufacturing expense is assumed to increase by 10% every year.

VII. Administration expense is assumed to increase by 5% every year.

10. CONCLUSION

The development of this project is a direct offshoot of growth in local economy. The opening of the Cochin airport, flow of foreign tourists, expansion of Cochin Special Economic zone and Container Terminal and the inherent dynamism of Greater Cochin Area have led to growth in local economy of Greater Cochin Area. All this is reflected in the growth of per capita income.

Net profit is cash positive and is expected to nearly double after expansion and Diversification. The unit is highly profitable and successful.

COMPANY PROFILE

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