

## Trumock Shoe with TPR Sole

PRODUCT CODE	: N.A.
QUALITY AND STANDARDS	: As per buyer's specification
PRODUCTION CAPACITY	: Qty. : 21000 pairs (per annum) Value: Rs. 80,85,000
MONTH AND YEAR OF PREPARATION	: March, 2003
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### INTRODUCTION

Trumock shoes are used especially by the young generation for their day-to-day use. These footwears are of the latest trend in the fashion world. These shoes are made of leather uppers and have TPR Soles attached to them. They are generally light weight and very comfortable to wear. These shoes are at present being manufactured in places like Delhi, Agra, Mumbai, Chennai, Kolkata etc. But due to the increasing demand of these footwears all over the country and abroad, these can be manufactured anywhere in the country.

### MARKET POTENTIAL

The demand for the Trumock Shoe is increasing rapidly. The youth being very much fashion conscious they are ready to pay exorbitant prices for such shoes, which are, manufactured at far away places like Delhi, Mumbai etc. Though there are many registered footwear and

leather goods industries, very few are manufacturing Tru Mock Shoes. There is no dearth of skilled manpower as hundreds of students are passing out from various footwear institutes like CFTI's and other state level institutions.

These shoes, if manufactured locally can be sold at comparatively lower price and will not only be able to cater to the needs of the State but also supply such shoes in the markets of neighbouring States. Moreover there is a good scope for exports of such shoes.

### BASIS AND PRESUMPTIONS

1. The unit will work 25 days a month on a single shift basis of 8 hours duration.
2. The labour and wages as shown in this project conform to the norms of the rules and regulations of the state govt.
3. The interest rate of the term loan is taken @ 15%.

4. The costs of the machinery and raw materials are based on the Indian market prices prevailing at the time of preparation of the project profile.
5. The loan may be paid back with in 10 years.

## IMPLEMENTATION SCHEDULE

The project is envisaged to be completed within a year from the conception.

The delivery of machinery is expected within 3 months of the placement of the order. The time taken for preparation of project report will be one month and the loan formalities will take 6 months. Installation of machinery and recruitment of personnel will take 1 month.

## TECHNICAL ASPECTS

### Process of Manufacture

The production details of Trumock shoes are given for the three pieces i.e. counter, vamp and apron. For preparation of shoe pattern, the last is covered all round with the Texon adhesive Tape used for pattern cutting and the designing is carried out over the covered standard size shoes last. After the designing, components are cut very carefully over the last itself and removed from the last very carefully. These cut components are spreaded over by making the cut over the curves to open up the curves and curvature of the last. Afterwards, balanced shape is given to the components to obtain the perfect shape and necessary allowances are added to the each component, which include the bottom surface also covering as being the specialty of Trumock shoes.

The shoe designed by giving it the shape of the quarter and forepart is divided of equal distance of 4 holes, of approx. 43 on the vamp, which is attached by hand stitching. In case of lining leather being used has to be pasted well below the holes to avoid the bulkiness of edge. After attaching, the Vamp counter is attached which is prepared along with lining and stitched, thus the pullover is ready and is in the rough shape of shoe.

Last is prepared by attaching the seat insole of Taxon/Leather/Leather Board etc. as per buyers over/specification to re-inforce the seat portion and support the arch. The ready last is fixed in Trumock shoe upper having inserted counter etc. Now the seat lasting is carried out and the whole bottom upper is roughened.

TPR Sole is cleaned with thinner and adhesive is applied to both the sole as well as to Shoe. Proper time is given for drying up for getting the proper bond. Both the pieces are joined together and pressed in Sole Cementing Press. After this operation, shoe last is removed and ready pull over is examined from fitting of shoe and designing of parts, etc., if no modification in shoe upper is required, the patterns are graded and section patterns are developed for shoe as well as for lining. Insole pattern is also graded from the shoe last of 7 Gents standard size and templates are prepared for clicking the components. The different upper, on lining and bottom components are clicked and assembled as per given specifications. After assembly of components, uppers are ready for lasting and sent for bottoming complete lasting, making and finishing. The shoes are inspected and packed as per specification.

### Quality Control and Standards

As mentioned, the TMS may be manufactured as per buyers specifications. However, in process quality control at every stage has to be maintained to avoid the rejection after completion of shoe at final stage.

### Production Capacity

Item : Tru Mock Shoes (with TPR Sole)

Quantity : 21000 Pairs (per annum).

Value : Rs. 80,85,000

Motive Power 65 kWh.

### Pollution Control

Footwear Industry, being a non-polluting Industry will not require any pollution control equipments.

### Energy Conservation

The proposed unit will not require any specific type of equipments for energy conservation as the power requirement is very minimal.

## FINANCIAL ASPECTS

### A. Fixed Capital

(i) Land and Building	(Rs.)
Rented building of 200 sq. meters of covered area @ Rs. 5,000 (per month)	5,000

#### (ii) Machinery and Equipments

Sl. No.	Description	Imp./ Ind.	Qty.	Rate (Rs.)	Value (Rs.)
1.	Upper skiving machine	Ind	1	45,000	45,000
2.	Single needle post bed sewing machine	Ind.	1	20,000	20,000
3.	Flat bed sewing machine	Ind.	2	2,500	5,000

Sl. No.	Description	Imp./ Ind.	Qty.	Rate (Rs.)	Value (Rs.)
4.	Punching and Eyeleting machine	Ind.	1	2,500	2,500
5.	Combined Finishing machine 8 ft. spindle	Ind.	1	10,000	10,000
6.	Cementing press treadle operated machine with compressor	Ind.	1	13,000	13,000
7.	Trademark embossing machine	Ind.	1	1,500	1,500
8.	Electrification and installation charges				9,900
9.	Different tools and Equipments	L.S.			5,000
10.	Wooden lasts	Ind.	60 pairs		9,000
11.	Office equipments furniture etc.	Ind.	L.S.		15,000
				Total	1,35,900

### B. Working Capital (per month)

#### (i) Staff and Labour (per month)

Sl. No.	Designation	No.	Salary (Rs.)	Total (Rs.)	
1.	Manager-cum-Designer	1	5,000	5,000	
2.	Supervisors	2	3,000	6,000	
3.	Clerk-cum-store keeper	1	2,000	2,000	
4.	Accountant/Cashier	1	2,500	2,500	
5.	Peon/Chowkidar	1	1,500	1,500	
6.	Sweeper	1	1,000	1,000	
7.	Skilled Workers	5	2,000	10,000	
8.	Semi-skilled workers	5	1,500	7,500	
				Total	35,500
				Add perquisites @ 15% on Salary	5,325
				Total	40,825
				Say	41,000

## (ii) Raw Material (per month)

Sl. Description No.	Quantity	Rate (Rs.)	Value (Rs.)
1. Buff Calf upper leather	5,425 sq. ft.	45	2,44,125
2. Lining Leather including socks	5,470 sq. ft.	30	1,64,100
3. Leather Board for insole stiffner, etc.	1,750 sq. ft.	12	21,000
4. TPR Soles	1,750 pairs	50	87,500
5. Adhesive, thread, grinderies, etc.	1,750	9	15,750
	Total		5,32,475
	Say		5,32,500

## (iii) Utilities (per month)

Sl. Description No.	Amount (Rs.)
1. Power 650 kWh units @ Rs. 2.50 per unit.	1,625
2. Water L.S.	275
	Total
	1,900

## (iv) Other Contingent Expenses (per month)

Sl. Description No.	Amount (Rs.)
1. Postage and stationery	200
2. Telephone	500
3. Consumable stores	500
4. Repair and maintenance	500
5. Advertisement	1,000
6. Insurance	500
7. Transportation	1,500
8. Other misc. expenditure	500
9. Rent	5000
	Total
	10,200

## (v) Total Working Capital (per month)

Sl. Description No.	Amount (Rs.)
1. Staff and Labour	41,000
2. Raw Materials	5,32,500

Sl. Description No.	Amount (Rs.)
3. Utilities	1,900
4. Other contingent expenditure	10,200
	Total
	5,85,600

## (vi) Working Capital for 3 months (Rs.)

Working Capital for 3 months Rs. 5,85,600x3	17,56,800
	Total
	17,56,800

## C. Total Capital Investment

Sl. Description No.	Amount (Rs.)
1. Fixed Capital	1,35,900
2. Working capital for 3 months	17,56,800
	Total
	18,92,700
	Say
	18,93,000

## FINANCIAL ASPECTS

## (1) Cost of Production (per year)

Sl. Description No.	Amount (Rs.)
i) Total recurring cost	70,27,200
ii) Depreciation on machinery and equipments @ 10%	9,900
iii) Depreciation on tools and equipments @ 20%	4,800
iv) Depreciation on office equipments @ 20%	3,000
v) Interest on Total Capital Investment @ 15%	2,83,950
	Total
	73,28,850
	Say
	73,30,000

## (2) Turnover (per year)

Sl. Items No.	Quantity	Rate (Rs.)	Value (Rs.)
1. Sale of Trumock shoe	21,000 pairs	385 per pair	80,85,000
	Total		80,85,000

**(3) Net Profit (Before Taxation) (per year) (Rs.)**

Net Profit= Turnover - Cost of Production

Turn Over	80,85,000
Cost of Production (-)	73,30,000
Total	7,55,000

**(4) Net Profit Ratio**

$$= \frac{\text{Net Profit per year} \times 100}{\text{Turnover per year}}$$

$$= \frac{7,55,000 \times 100}{80,85,000}$$

$$= 9.3\%$$

**(5) Rate of Return on Total Investment**

$$= \frac{\text{Net Profit per year} \times 100}{\text{Total Investment}}$$

$$= \frac{7,55,000 \times 100}{18,93,000}$$

$$= 39.88\%$$

**(6) Break-even Point**

Fixed Cost

Sl. No.	Description	Amount (Rs.)
a)	Rent for one year	60,000
b)	Total depreciation	17,700
c)	Interest on capital investment	2,83,950
d)	Insurance	6,000
e)	40% of Salary and Wages	1,96,800
f)	40% of other contingent expenditure and utilities	31,600
	Total	5,96,050
	Say	5,96,000

$$\text{B.E.P.} = \frac{\text{Fixed cost} \times 100}{\text{Fixed cost} + \text{Net Profit}}$$

$$= \frac{5,96,000 \times 100}{5,96,000 + 7,55,000}$$

$$= \frac{5,96,000 \times 100}{13,51,000}$$

$$= 44.11\%$$

**Addresses of Machinery and Equipment Suppliers**

1. M/s. Prototype Development and Training Centre  
Sector-B-24,  
Guindy Industrial Estate,  
Chennai - 600 097.
2. M/s. Razdon Group  
210A, Byculla Service  
Industrial Estate,  
Mumbai.
3. M/s. Indian Leather Machines,  
6, Sangita Indl. Estate,  
Pokhram Road No. 1,  
Upwan, Thane-400 606  
(Maharashtra)

**Raw Material Suppliers**

1. M/s. Aasulbhai Adamji and Co.  
163, Near Dabboo Street,  
Mumbai-3.
2. M/s. Madras Leathers,  
Kotwali Bazar,  
Jalandhar City,  
(Punjab).
3. M/s. Kazi Kelazat Hussain  
and Co.  
Bara Lower Chitpur Road,  
Kolkata-1.
4. M/s. Sambandham and Co.,  
25, C.H.Gramani Street,  
Periamet,  
Chennai-3.
5. M/s. Popular Thread factory,  
28, Kasi Chetty Street,  
Chennai-79
6. M/s. Super Tannery (India) Ltd.  
Jajmau,  
Kanpur.