

PROJECT PROFILE ON AMMUNITION BOOTS

NAME OF THE PRODUCT : AMMUNITION BOOTS.

QUALITY & STANDARD : Ministry of Defence Specification
INT/TC/3838(H)
BIS Specification – IS: 11226 – 1985.

**MONTH & YEAR
OF PREPARATION :** FEBRUARY, 2012.

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PART-II

I. INTRODUCTION:

Ammunition Boot Leather with D.V.S. Sole are used by Defence Forces, Para Military Forces, Security personnel. It is also used by Police forces and Miners.

II. MARKET POTENTIAL:

The product has good demand in Ministry of Defence, Ministry of Home Affairs and in Mining Industry.

III. BASIS & PRESUMPTIONS:

1. The production target given in the profile is based on single shift basis for 300 days in a year of 8 hours per day
2. Three years will be required to achieve 90% capacity utilization.
3. Labour wages are based on prevailing rates in the State.
4. Rate of interest on fixed and working capital investment are based on RBI interest rates.
5. The period of loan to be recovered by the bank or financial institutions as per their norms.
6. The cost of machinery and equipment are based on the prevailing rates at the time of preparation of project profile.
7. The cost of machinery, raw materials etc. may vary from time to time and place to place.

IV. TECHNICAL ASPECT:

Ammunition Boot Leather DVS is made from Chrome Tanned Zug Grain Leather Upper, lined at vamp with combination tanned lining leather to absorb perspiration. The sole and heel are manufactured by direct Vulcanizing process. The laces are "Laces Nylon Black 90 cm long".

The boot shall be made by DVS construction using wooden last model No.9150 or 10883. Conforming to the dimensions given below: -

Sl. No.	Size & Fitting	Joint Girth in mm	Inslep Girth in mm	Length of last in mm
1	5M 5L	229 235	232 238	259
2	6L 6EL	241 248	244 251	267
3	7M 7L	241 248	244 251	276
4	8M 8L 8EL	243 254 260	251 257 264	284
5	9M 9L 9EL	254 260 267	260 264 270	293
6	10M 10L 10EL	260 267 278	264 270 276	301
7	11M 11L	267 278	270 276	310

Components: -

The various upper and bottom components of leather shall be cut from the material and to the thickness as given below. All components shall be free from grain defects/damages and other visual defects. A full below tongue shall be used.

Sl. No.	Components	Material	Thickness in mm	
			Minimum	Maximum
1	Quarter	Chrome Tanned Upper Leather	1.8	2.5
2	Vamp	Chrome Tanned Upper Leather	1.5	1.8
3	Toe Cap	Chrome Tanned Upper Leather	1.2	1.8
4	Full below Tongue	Chrome Tanned Upper Leather	1.0	1.5
5	Vamp lining	Lining Leather	0.6	1.0
6	Insole	V.T. Leather	3.5	4.0
7	Stiffener	V.T. Sole Leather	2.0	2.5
8	Toe Puff	V.T. Sole Leather	2.0	2.5

The upper shall be snitched/closed on lock stitch machine using liner thread 3 card No.18 for counters, back and tongue joint with vamp and 5 card No. 18 for remaining portions. The number of stitches shall be 28 to 32 per deci meter. The back seam of the quarter shall be taped with tape cotton. Five eyelets shall be fitted in each quarter facing. The steel shank shall be fitted at the waist of the insole so that it shall support the waist. The rubber sole and heel shall be vulcanized on a high pressure moulding machine. The thickness of rubber sole and heel from outside for all sizes in the finished boot shall be as under: -

Sl. No.	Components	Thickness (mm)
1	At Fore part	16 ± 1
2	At Waist	11 ± 1
3	At Heel	34 ± 1

QUALITY SPECIFICATION:

BIS Specification – IS: 1126 – 1985

Ministry of Defence Specification – IND/TC/3839(h)

Materials:

- | | | |
|---|---------------------------------|-----------------|
| 1 | Chrome Tanned Zug Grain Leather | IS; 5677 – 1986 |
| 2 | Leather Lining | IS: 3840 – 1979 |
| 3 | Thread Liner 3 card No. 18 | INT/TC/0289 |
| | | IS: 4229 – 1979 |
| 4 | Eyelets Aluminium | IS:5061 – 1978 |

PRODUCTION CAPACITY: (Per Month)

DVS BOOTS 1,20,000 Pairs @ Rs. 260/- per pair

Rs. 3,12,00,000/-

POLLUTION:

This industry will not generate any pollution.

ENERGY CONSERVATION:

The scope of energy conservation is limited. Thorough checking of the motor driving system should be done from time to time.

POWER:

100 H.P. (Approx.) may be required.

IMPLEMENTATION SCHEDULE:

- | | | |
|---|---|------------|
| 1 | Registration and other formalities | - 1 month |
| 2 | Acquisition of work shed | - 1 month |
| 3 | Machinery & Equipments purchased & Installation | - 6 months |
| 4 | Trial production | - 6 months |

V. FINANCIAL ASPECTS:**1. Fixed Capital:**

i) Land and Building (rented) per month Rs. 10,000/-

ii) Machinery and equipment:

S. No.	Description	Qty.	Rate(Rs.)	Value(Rs.)
1	Sewing beam Hydraulic Clicking Machine (Pressure 20 tons, 900 X 430mm)	2	1,25,000	2,50,000/-
2	Bend knife upper splitting machine width 400mm	1	4,00,000	4,00,000/-
3	Heavy duty skiving machine with table, motor & dust collector(for toe puff & stiffener)	1	2,00,000	2,00,000/-
4	Upper skiving machine with table, motor, dust collector	2	50,000	1,00,000/-
5	High speed flat bed single needle machine	3	15,000	45,000/-
6	Heavy duty cylinder bed sewing machine with motor.	3	60,000	1,80,000/-
7	Zig Zag sewing machine	1	80,000	80,000/-
8	Punching & Eyeleting Machine (automatic loading)	1	1,20,000	1,20,000/-
9	Taping & Seam Rubbing Machine with motor	1	1,50,000	1,50,000/-
10	D.M.S. Moulding Machine (Hydraulic Pressure)	10	1,20,000	12,00,000/-
11	Last removing Jacks	1	50,000	50,000/-
12	Spray Booth	1	50,000	50,000/-
13	Brushing Machine	1	30,000	30,000/-
14	Lasto Meter	1	50,000	50,000/-
15	Sole Adhesion Tester	1	50,000	50,000/-
16	Thickness Gauge	1	10,000	10,000/-
17	Shoe Last	800	250	2,00,000/-
18	Tools & Equipments			50,000/-
19	Generator Set 20 KVA	1	2,50,000/-	2,50,000/-
			Total:	34,65,000/-
	Installation & Electrification charges			3,40,000/-
				38,05,000/-

VI. WORKING CAPITAL (Per month):**(1) Personnel (Per Month):**

Sl.No.	Designation	No.	Salary(Rs.)	Total (Rs.)
1	Production Manager	1	10,000/-	10,000/-
2	Supervisor	2	5,000/-	10,000/-
3	Clerk	1	2,500/-	2,500/-
4	Accountant	1	3,000/-	3,000/-
5	Store Keeper	1	2,500/-	2,500/-
6	Peon	1	2,000/-	2,000/-
7	Watchman	1	2,000/-	2,000/-
8	Sweeper	1	1,500/-	1,500/-
9	Skilled Workers	25	2,000/-	50,000/-
10	Semi-Skilled Workers	5	1,500/-	7,500/-
11	Helper	5	1,200/-	6,000/-
			Total:	97,000/-
	Perquisites @ 15% on the total salary			14,550/-
			Total:	1,11,550/-

(2) Raw Material (Per month):

Sl. No	Particulars	Qty.	Rate (Rs.)	Value (In Rs.)
1	Zug Grains Leather	3,60,000 DM	3.50/DM	12,60,000/-
2	B. T. Sole Leather	2,500 Kgs	150/Kg	3,75,000/-
3	Raw Rubber Compound	4,000 Kgs	50/Kg	2,00,000/-
4	Grinderries, Packing etc.	10,000 Pairs	15/-	1,50,000/-
			Total:	19,85,000/-

(3) Utilities:

i.	Electricity /Fuel	15,000/-
ii.	Water	300/-
	Total: -	15,300/-

(4) Other Contingent Expense (Per Month):

1	Stationery/Postage	1,000/-
2	Transportation	10,000/-
3	Rent	10,000/-
4	Consumable Stores	5,000/-
5	Maintenance	2,000/-
6	Others	2,000/-
	Total:	30,000/-

VII. TOTAL RECURRING EXPENSES (PER MONTH):

1	Staff &Wages	1,11,550/-
2	Raw Material	19,85,000/-
3	Utilities	15,300/-
4	Others	30,000/-
	Total:	21,41,850/-
	Say:	21,42,000/-

VIII. TOTAL CAPITAL INVESTMENT:

1	Fixed Capital	38,05,000/-
2	Total Working Capital	21,42,000/-
	Total:	59,47,000/-

IX. COST OF PRODUCTION (Per Annum)

1	Working Capital	2,57,04,000/-
2	Depreciation on Machinery @ 10%	3,55,000/-
3	Depreciation on Tools & Equipments @ 25%	1,02,500/-
4	Interest on Total Investment @ 22%	13,07,240/-
	Total:	2,74,68,740/-

X. ANNUAL SALES:

Sale of 1,20,000 pairs of Ammunition Boots DVS @ Rs. 260/- per pair 3,12,00,000/-

**XI. PROFIT (Per Annum)
(Before Income Tax)**

Sales Value	(-)	Cost of Production		
3,12,00,000/-	(-)	2,74,68,740/-	Rs.	37,31,260/-

XI. RETURN ON TOTAL INVESTMENT:

$$\frac{\text{Annual Profit} \times 100}{\text{Total Capital Investment}} = \frac{37,31,260 \times 100}{59,47,000} = 63\%$$

XII. % PROFIT ON TOTAL SALES:

$$= \frac{\text{Annual Profit} \times 100}{\text{Annual Sales}} = \frac{37,31,260 \times 100}{3,12,00,000} = 12\%$$

XIII. BREAK EVEN ANALYSIS:**Fixed Cost (Per Annum):**

1.	Rent	12,000/-
2.	Salary & Wages 40%	5,35,440/-
3.	Other expenditure 40%	2,17,440/-
4.	Depreciation on Machinery @ 10%	3,55,000/-
5.	Depreciation on Tools & Equipments @ 25%	1,02,500/-
6.	Interest on Total Capital Investment @ 22%	13,07,240/-
7.	40% of Salary	1,92,000/-
8.	40% of other contingent expenses	63,360/-
	Total Fixed Cost:	25,29,620/-
	Say:	4,74,700/-

Break Even Point:

$$\frac{\text{Fixed Cost} \times 100}{\text{Fixed Cost} + \text{Profit}} = \frac{25,29,620 \times 100}{25,29,620 + 37,31,260} = 40\%$$

XIIIV. Names & Addresses of Machinery & Raw Material Suppliers:

- 1 M/s Supreme Electroplaters & Engineers,
97/140, Abdul Ghani Road, Talaq Mohal, Kanpur.
- 2 M/s Leather & Packing Machinery Corporation,
1/23-B, Asaf Ali Road, New Delhi.
- 3 M/s Seinger Sewing Machine,
The Mall, Kanpur.
- 4 M/s Bata India Ltd.,
Bata Nagar-743313.
- 5 M/s B. S. Engineering Works,
E1/346, Shiv Ram Park, Najafgarh Road, Nanglari, Delhi-41.
- 6 M/s M. K. Engineering Works,
66-A, Shehzada Bagh, Old Rohtak Road, Delhi.
- 7 M/Precision Shoe Last Factory,
60, Industrial Estate, Nunhai, Agra. (Shoe Last)
- 8 M/s Toscane Last Ltd.,
Thapar House, 124, Janpath, New Delhi-110001.
- 9 M/s J. K. Trader & Engineers,
Kirti Nagar, Delhi-15.

RAW MATERIALS & GRINDERIES

- 1 M/s Threads India Ltd.,
83/A, Pankai Industrial Estate, Kanpur.
- 2 M/s Modi Thread Ltd.,
Modi Nagar-201210. (UP)
- 3 M/s A. N. Soles International,
C-121, Sector-2, NOIDA.
- 4 M/S Harman Sales Pvt. Ltd.,
10, Munirka Marg, Vasant Vihar, New Delhi-57.
- 5 M/s Indian Eyelet Industries,
5-D2, Rajendra Prasad Sarani, Clive Road, Kolkata-1.
- 6 M/s M. S. Patel & Company,
Exelet House, South Vihar Road, Mumbai-72.

LEATHER

- 1 M/s Sultan Tanners,
Jajmau, Kanpur.
- 2 M/s Super Tanning Industry,
Jajmau, Kanpur.
- 3 M/s Paradise Tanning Industry,
Jajmau, Kanpur.
- 4 M/s Indian Tanning Industry,
Jajmau, Kanpur.
- 5 M/s Zam Zam Tannery,
Kanpur Road, Unnao.

NATURAL / RAW RUBBER

- 1 M/s Tim Rubber,
Co-operative Industrial Estate, Dada Nagar, Kanpur.
- 2 M/s Nitin Rubber,
Industrial Estate, Dada Nagar, Kanpur.
- 3 M/s Alga Rubber Works,
Fazalganj, Kanpur.
- 4 M/s Deepak International (India),
308 Km Stone, M.I.E. Bahadurgarh, Haryana.
- 5 M/s Chowdhary Rubber & Chemical Company,
1403, Pan Mandi, Sadar Bazar, Delhi-06.

STEEL TOE CAPS

- 1 M/s D. K. Engineering Works,
42-A, Dada Nagar, Kanpur.
- 2 M/s Rohini Processors,
The Mall, (Behind Roxi Cinema), Kanpur-208001.
- 3 M/s Efficient Traders,
Fazalganj, Kanpur-208012.