PROJECT PROFILE

ON

BALLERINA SHOES

PART-I

NAME OF THE PRODUCT : **BALLERINA SHOES.**

QUALITY & STANDARD : As per market demand and BIS Specification.
Chrome Upper Leather 578-1971.

PRODUCTION CAPACITY : The production capacity of the unit at 75% capacity utilisation.

Item	Quantity	Rate (Rs.)	Value (Rs.)
Ballerina Shoes	30000 Pairs	190/- Pair	**57,60,000/-**
		Total:	**57,60,000**

MONTH & YEAR OF PREPARATION : February, 2013.

PREPARED BY : **MSME - Development Institute,**
Ministry of Micro, Small & Medium Enterprises,
Government of India
107, Industrial Estate, Kalpi Road,
Kanpur-208012.

Tele. 2295070, 2295071 & 2295073 (EPBAX)
Tele. No. 2295072 (SENET & TRC)
Tele/Fax No.: 0512- 2240143
email: dcdi-kanpur@dcmsme.gov.in
Website: msmedikanpur.gov.in

PROJECT PROFILE

ON

BALLERINA SHOES

PART-II

INTRODUCTION:

Ballerina Shoes are low cut light weight and flat heeled shoes. The design is new cut type and constructed by direct method of attachment. These types of shoes are used by women. The school uniform shoes for girls are manufactured in the same style & design. In this project profile the ballerina shoes are meant for school going girls/maids. School uniform shoes are used by the school going children/youth with their school uniform. In most of the schools it has been necessary to wear these shoes with the school dress. These shoes are mainly in black colour Derby/Belly design/ pattern.

Market Potential:

Ballerina Shoes available in the market are mainly manufactured by the organised sectors under reputed Brand names. A few MSEs units are manufactured these shoes. The demand of such shoes is increasing rapidly and more MSEs units can come up to start this project subject to produce quality product having good fitting and size. The shoes are mostly in DVS and DIP process. In this project the shoes are made either leather or synthetic upper and have PVC/TPR soles.

Basis & Presumptions:

1. The production target in the profile is based on 8 hours single shift basis for 300 days in a year.
2. Two years will be required to achieve 90% of capacity utilization.
3. Labour wages are based on prevailing rates in the city (State).
4. Rate of interest on fixed and working capital are based on RBI interest rates.
5. The cost of machinery & equipment are based on the prevailing rates at the time of preparation of project profile.
6. The cost of raw materials and other griendries may vary from time to time and place to place.

TECHNICAL ASPECTS:

Process of manufacture:

Presently there is a tremendous change in the manufacturing of shoes, various new process are being used like cemented, direct moulding, D.I.P. etc. Unit soles PVC, T.P.R., P.U. are readily available in the market in different designs and shapes from which one can produce flexible, light, durable shoes with competitive cost and prices.

FLOW CHART:

1. UPPER CLICKING:

I) Selection of upper leather & lining.
II) Marking & cutting of components with the help of pattern.
III) Sorting & inspection.

2. CLOSING:

I) Checking of clicked components.
II) Skiving of components (as per design).
III) Preparation of lining.
IV) Folding & edge treatment.
V) Stitching of components.
VI) Eyeletting
VII) Edge colouring.

3. MAKING: BOTTOM

I) Selection of Insole material & soling material.
II) Cutting of insoles & soles (MCR sheets)
III) Preparation of shoe last
IV) Attaching of Insole
V) Mulling of Uppers
VI) Attachment of Toe puff & stiffeners
VII) Lasting (Tow, side & heel lasting
VIII) Attaching of shank & bottom fitting
IX) Roughing
X) Cementing of lasted upper & sole unit sole
XI) Attachment of sole with lasted upper
XII) Pressure of sole in cementing press
XIII) Removing of shoe last
XIV) Socks attaching, colouring, finishing
XV) Final inspection & packing.

Quality Specification

As per the specification of BIS (Bureau of Indian Standards) and buyers specification.

Chrome Upper Leather: 578-1971.

Production Capacity:

a)	Quantity	:	30,000 pairs
b)	Value	:	Rs.57,60,000/-

Approximate Motive Power:

3 HP may be required.

Pollution Control:

This industry will not generate any pollution.

Implementation Schedule:

About 4-6 months are required from the date of sanction of loan.

Financial Aspects:

Fixed Capital:

Land & Building (Rented per month) Rs. 5,000/-

1000 sq. ft. covered area.

Machinery & Equipment:

Sl.No	Particulars	Quantity	Rate (Rs)	Value (Rs.)
1.	Industrial Sewing Machine fitted with motor	4	9000	36,000/-
2.	Cylindrical Sewing Machine power operated	1	12000	12,000/-
3.	Zig Zag Sewing Machine power operated	1	18000	18,000/-
4.	Skiving Machine	1	55000	55,000/-
5.	Two station cementing press with compressor	1	16500	16,500/-
6.	Trade mark embossing m/c	1	2500	2,500/-
7.	Spray booth with spray gun	1	12000	12,000/-
8.	Shoe lasts	225	200	45,000/-
9.	Tools & Equipment		L/S.	15,000/-
10	Furniture		L/s	15,000/-
11.	Electrification & installation			23,000/-
			Total:	**2,50,000/-**

Working Capital:

Staff & Labour (per month):

Sl.No.	Designation	No(s)	Rate	Value(Rs.)
1.	Manager	1	10000	10,000/-
2.	Designer	1	6000	6,000/-
3.	Supervisor	1	5000	5,000/-
4.	Clerk/Typist	1	4000	4,000/-
5.	Chowkidar	1	3000	3,000/-
6.	Skilled workers	8	4500	36,000/-
7.	Semi skilled workers	3	3500	10,500/-
8.	Un-skilled workers	2	3000	6,000/-
				80,500/-
	Perquisites @ 15% of salaries			12,075/-
			Total:	**92,575/-**

Raw Material (for 100 pairs per day & 2500 pairs per month)

Sl.No.	Particulars	Qty.	Rate(Rs)	Value(Rs)
1	Upper Leather (Cow, Calf, Softy)	30000 DM	5/per DM	1,50,000/-
2.	Lining Synthetic	250 Mtrs.	50/Mtr	12,500/-
3.	Canvas Cloth	250 Mtrs.	30/Mtr	7,500/-
4.	Insole Synthetic (Texan)	2500 Pairs	10/-	25,000/-
5.	Unit sole PVC/TPR/Nylon	2500 Pairs	25/-	62,500/-
6.	Grinderiess, Adhesive, Thread, Packing material etc.	2500 Pairs	10/-	25,000/-
			TOTAL:	**2,82,500/-**

UTILITIES (P.M.)

Power/Electricity 2,500/-

Other Expenses(P.M.):

1. Rent 5,000/-
2. Telephone 2,000/-
3. Postage/Stationery 2,000/-
4. Repairs & Maintenance 2,000/-
5. Packing & Forwarding (Transportation) 10,000/-
6. Advertisement & Publicity 5,000/-
7. Miscellaneous 2,500/-
8. Insurance 2,500/-

Total: 31,000/-

Working Capital (per month)

1.	Salaries & Wages	Rs. 92,575/-
2.	Raw material	Rs. 2,82,500/-
3.	Utilities	Rs. 2,500/-
3.	Other expenditure	Rs 31,000/-
		Rs. 4,08,575/-

Working Capital for 3 months = 4,08,575 X 3 = **Rs.12,25,725/-**

Total Investment:

1.	Fixed Capital		Rs. 2,50,000/-
2.	Working Capital for 3 months		Rs.12,25,725/-
		Total:	**Rs.14,75,725/-**

Cost of Production (Annum)

1.	Total recurring cost per year		Rs. 49,02,900/-
2.	Depreciation on Machinery @ 10%		Rs 15,200/-
3.	Depreciation on Furniture & Tools @ 25%		Rs. 7,500/-
4.	Depreciation on Last @ 20%		Rs. 9,000/-
5.	Interest on total investment @ 14%	Rs.14,75,725/-	Rs. 2,06,600/-
			Rs. 51,41,200/-

Turn Over (Per Annum):

By sale of 30000 Pairs @ Rs.190/- per pair = **Rs. 57,60,000/-**

Net Profit (Annual):

Total Turn Over - Cost of Production

57,60,000 - 51,41,200 = **Rs.6,18,800**

Profit on Total Investment:

$$\frac{\text{Annual Profit X 100}}{\text{Total Investment}} = \frac{6,18,800 \text{ X } 100}{14,75,725} = \textbf{41.9\%}$$

Profit on Sales:

$$\frac{\text{Annual Profit X 100}}{\text{Annual Sales}} = \frac{6,18,800 \text{ X } 100}{57,60,000} = \textbf{10.7\%}$$

Break Even Point:

Fixed Cost(Annual) X 100
Fixed Cost(Annual) + Annual Profit

Fixed Cost (Annual)

1.	Rent (Annual)	Rs. 60,000/-
2.	Salary & Wages 40%	Rs. 4,44,360/-
3.	Other expenses 40%	Rs. 1,48,800/-
4.	Depreciation on machinery 10%	Rs. 15,200/-
5.	Depreciation on last, tools, furniture & fixture 25%	Rs. 16,500/-
6.	Interest on capital investment @ 14%	Rs. 2,06,600/-
	Total:	**Rs. 8,91,460/-**

B.E.P. = Fixed Cost(Annual) X 100
Fixed Cost(Annual) + Annual Profit

8,91,460/- X 100 **= 59%**
8,91,460/- + 6,18,800/-

Name & Address of Suppliers:

Machines:

1. M/s S.P. ENGINEERING works, Dayal Bagh Road, New Agra-282005.
2. M/s Raj Machine Home, 35/44, Lashkarpur, Karbala Road, Agra-282005.
3. M/s Leather Machinery corporation, 406, Pragati Tower, Rajendra Block, New Delhi.
4. M/s Singer Sewing Machine, The mall, LIC Building, Kanpur.\
5. M/s M.K. Engineering Works, 66-a, Shahjada Bagh, Rohtak Road, Delhi.

Leather/Synthetic Materials:

1. M/s Sultan Tanners, Jajmau, Kanpur.
2. M/s Jasch Marketing Ltd., 119/1017 ‘A’ Darshan Purwa, Kalpi Road, Kanpur.
3. M/s Local Market (Kanpur.)

Plastic Shoe Lasts:

1. M/s Sanghvi Shoe Accessories, 3 Hari Kurpa, 10th Road, Chamber, Mumbai-400071.
2. M/s Toscana Lasts ltd., E-6,7,8 Sector- 59, NOIDA-201301. (U.P.)
3. M/s Sun Footwear Industries Pvt. Ltd.,F-1/A Panki Industrial Estate Kanpur.

Unit Soles:

1. M/s Unisole India Pvt. Ltd., A-38, NOIDA, Phase-II, Distt. G.B. Nagar.
2. M/s Kripal Agency, 8/385, Hing Ki Mandi, Agra-282003.
3. Nikhil Footwears Ltd., 98-Shahjada Bagh Extension, Old Rohtak Road, Delhi.

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