

22 CANVAS SHOES



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1. INTRODUCTION

The "Canvas Shoes" project is designed to promote micro and small-scale investments in the footwear manufacturing industry, focusing on the Uttarakhand region of India. Uttarakhand, known for its scenic beauty and growing urban population, offers an opportune environment for entrepreneurs to establish a canvas shoe manufacturing unit. This project profile serves as a comprehensive reference for aspiring entrepreneurs, providing insights into the canvas shoe production business.

2. PRODUCT & ITS APPLICATION

Canvas shoes serve as a versatile and comfortable choice of footwear for individuals across various age groups, catering to a wide range of applications. They are especially favored for casual wear, given their combination of comfort and style, making them a go-to option for daily activities. Beyond casual use, canvas sports shoes are also well-suited for walking, jogging, and engaging in light sports activities, thanks to their supportive and flexible design. In the realm of fashion and trends, canvas shoes make a significant impact, particularly among younger demographics, who appreciate the diverse designs and colors available, allowing for personal expression and style statements. Moreover, for those who prioritize environmental sustainability, canvas shoes present an eco-friendly footwear option. When manufactured using sustainable materials, they align with the values of environmentally conscious consumers, further broadening their appeal.

3. DESIRED QUALIFICATION FOR PROMOTER

To excel in the canvas shoe manufacturing industry in Uttarakhand, aspiring entrepreneurs should possess key qualifications. A foundational understanding of footwear manufacturing processes, encompassing cutting, stitching, and quality control, is crucial. Basic business acumen, including knowledge of operations, budgeting, marketing, and sales strategies, is essential for overall success. Remaining abreast of footwear design trends and consumer preferences is pivotal for product development. Familiarity with sourcing high-quality canvas fabric, rubber soles, and other shoe components is vital. Commitment to compliance with all relevant government regulations, licenses, and permits associated with footwear manufacturing is necessary. Access to suitable infrastructure, encompassing a manufacturing unit, sewing machines, cutting tables, and storage facilities, is required. Lastly, the ability to recruit and manage a skilled workforce for production and quality control is indispensable for sustainable growth in the canvas shoe manufacturing sector.

4. INDUSTRY OUTLOOK AND TRENDS

The canvas shoe manufacturing industry in Uttarakhand is poised for significant growth, propelled by a combination of factors and trends that align with consumer preferences and market demands. The region's growing urbanization has spurred an increased demand for affordable yet stylish footwear, positioning canvas shoes as a popular choice among a broad consumer base. These shoes are particularly appealing for their comfort and lightweight design, meeting the contemporary consumer's desire for footwear that combines practicality with style. The youth demographic in Uttarakhand, a substantial market segment, is drawn to canvas shoes for their versatility in fashion trends and suitability for sports activities, further amplifying their popularity.

Sustainability concerns have also steered consumers towards eco-friendly footwear options, with canvas shoes made from sustainable materials emerging as a favored choice. This shift towards environmentally conscious consumption opens up avenues for manufacturers to innovate and offer products that align with these values. Additionally, the customization and personalization of canvas shoes enable entrepreneurs to tap into niche markets, offering unique products that cater to individual preferences.

The proliferation of online retail has revolutionized the canvas shoe market, enabling businesses to extend their reach beyond conventional boundaries and connect with customers in remote areas. This expansion is complemented by the industry's adaptability to the rising trends of sportswear and athleisure, positioning canvas shoes as a trendy and sporty alternative for men, women, and children alike. With their low production and maintenance costs, canvas shoes stand as an economical choice for consumers, further bolstering their market appeal. The market segmentation into low-end, middle-end, and high-end offerings allows for a wide range of products that cater to various consumer segments, with styles ranging from lace-ups and slip-ons to pumps, showcasing the versatility and potential for growth within the canvas shoe industry in Uttarakhand.

In 2022, the Indian footwear market reached a size of \$26.3 billion. According to a report, the market is expected to grow to \$38.0 billion by 2028, with a compound annual growth rate (CAGR) of 6.45 percent during the period 2023-2028.

5. MARKET POTENTIAL AND MARKETING ISSUES; IF ANY

The market potential for canvas shoes in Uttarakhand, India, is promising, driven by factors such as the rising urban population, a significant youth demographic with a penchant for fashion, and the popularity of canvas shoes for both casual and sportswear. The growth of e-commerce platforms has expanded the market reach, enabling entrepreneurs to cater to a diverse customer base, including remote areas. Offering customization options and sustainable materials aligns with consumer preferences for unique and eco-friendly products.

However, entrepreneurs should be mindful of potential marketing challenges. The highly competitive footwear industry demands differentiation through unique designs, quality, and branding. Efficient distribution to reach both urban and rural areas in Uttarakhand, given the state's diverse geography, poses a challenge. Seasonal variations in demand necessitate strategic production and marketing planning. Building brand awareness and consumer trust is crucial, requiring effective marketing and advertising efforts.

Top canvas shoe brands in India, such as Vans, Adidas, Puma, Nike, Reebok, United Colors Of Benetton, Fila, and Sparx, exemplify the competitive landscape. Sparx, in particular, is a popular and budget-friendly shoe brand known for its casual and sports shoes catering to people of all ages.

6. RAW MATERIAL REQUIREMENTS

For the production of canvas shoes, a variety of raw materials are essential, each playing a crucial role in the final product's quality, durability, and appeal. The primary material, high-quality canvas fabric, is used for crafting the upper part of the shoe and is selected for its durability, comfort, and the ability to be procured in an array of colors and designs, catering to diverse consumer

preferences. Rubber soles form the foundation of the shoes, providing essential grip and durability, with the specific type of rubber chosen based on the shoe's intended use, whether for casual wear or sports activities. Comfort is paramount, addressed through the use of insoles made from materials such as foam, gel, or latex, which offer cushioning to the wearer.

The assembly of the shoes requires additional components such as laces and eyelets, which not only serve the practical purpose of fastening the shoes but also contribute to the overall aesthetic, available in various lengths, colors, and materials to complement the design. The construction of the shoes relies on strong and durable threads for stitching, alongside adhesives that ensure a secure bond between the different shoe parts. Further structural support is provided by toe caps and heel counters, enhancing the shoe's form and stability. Finally, the presentation and protection of the canvas shoes during transportation and retail display are ensured through the use of quality packaging materials, including boxes and inserts, rounding off the list of necessary raw materials for canvas shoe manufacturing.

Here are some suppliers:

- **Uttarakhand Fabrication:** Raipur Rd, Chunna Bhatta, Suman Nagar, Shastra Dhara, Dehradun, Uttarakhand 248001
- **Ambica Textile:** Chakrata Rd, Bindaal Tirahya, Clock Tower, Connaught Place, Dehradun, Uttarakhand 248001
- **Sanmati Fabrics:** khasra no.1043, 1041 Camp road, Central hope town, Selakui, Uttarakhand 248001

7. MANUFACTURING PROCESS

The manufacturing process of canvas shoes encompasses several critical steps, beginning with the design and pattern making, where shoe designs are thoughtfully created with considerations for style, size, and the shoe's intended use. Following this, the canvas fabric is meticulously cut into desired shoe patterns using templates to ensure precision and uniformity across products. The next step involves the stitching of the cut canvas pieces, assembling the shoe's upper part, including the attachment of the tongue, eyelets, and any additional design elements that define the shoe's aesthetic.

Once the upper is assembled, the rubber sole, which provides the shoe with its durability and grip, is securely attached using both adhesive and stitching methods. Insole insertion follows, adding cushioning and comfort for the wearer, a key selling point for canvas shoes. After assembly, the shoes undergo a thorough finishing process involving quality control checks to inspect for any defects, loose threads, or inconsistencies in stitching, with any necessary corrections made to ensure the final product meets high standards.

The concluding step in the manufacturing process is packaging, where the inspected shoes are placed in suitable boxes, readying them for distribution. This systematic approach to canvas shoe manufacturing ensures that the final product not only meets design and comfort criteria but is also consistent in quality and ready for the consumer market.

The Indian standard IS 3735:1996 is for canvas shoes with rubber soles. It includes requirements for rubber soles, such as testing, quality, and material composition. The standard also governs how samples are selected for testing from finished lots.

8. MANPOWER REQUIREMENT

Sr. No	Particulars	No. of	Months	Monthly Wages	Monthly	Annual
		Person		Amount/Person (Rs in Lakhs)	Wages - Total (Rs in Lakhs)	Expenses (Rs in Lakhs)
1	Skilled	2	12	0.18	0.36	4.32
2	Semi-skilled	2	12	0.13	0.26	3.12
3	Unskilled	3	12	0.10	0.30	3.60
	Total					11.04

9. IMPLEMENTATION SCHEDULE

Sr. No.	Activity	Time Required (in months)
1	Acquisition of premises	1
2	Construction (if applicable)	2
3	Procurement & installation of Plant & Machinery	1.5
4	Arrangement of Finance	2
5	Recruitment of required manpower	1
Total time required (some activities shall run concurrently)		6

10. COST OF PROJECT

Sr. No.	Particulars	Amount (Rs in Lakhs)
1	Pre-operative Expenses	1.25
2	Land and Building	10.00
3	Machinery	6.37
4	Equipment and Furniture	1.70
5	Working Capital	2.00
	Total Project Cost	21.32

11. MEANS OF FINANCE

Bank-term loans are assumed @ 75 % of fixed assets.

Sr. No.	Particulars	Percentage Share	Amount (Rs in Lakhs)
1	Promoter's Contribution	25%	5.33

2	Bank Finance	75%	15.99
	Total		21.32

12. LIST OF MACHINERY REQUIRED

A. Machinery

Sr. No.	Particulars	Unit	Unit Cost (Rs in Lakhs)	Amount (Rs in Lakhs)
1	Cutting Machine	1	0.50	0.50
2	Stitching Machine	2	0.25	0.50
3	Sole Attachment Machine	1	0.70	0.70
4	Insole Insertion Machine	1	0.40	0.40
5	Eyelet Fixing Machine	1	0.30	0.30
6	Packaging Machine	1	0.60	0.60
7	Quality Control Equipment	Set	0.20	0.20
8	Generator Set	1	0.80	0.80
9	Air Compressor	1	0.25	0.25
10	Material Handling Equipment	Set	0.40	0.40
11	Workshop Tools	Set	0.15	0.15
12	Fire Safety Equipment	Set	0.10	0.10
	Total Amount			4.90
	Tax, Transportation, Insurance, etc.			0.98
	Electrification Expenses (Wiring)			0.49
	Grand Total			6.37

B. Furniture & Equipment

Sr. No.	Particulars	Unit	Unit Cost (Rs in Lakhs)	Amount (Rs in Lakhs)
1	Office Furniture	-	0.50	0.50
2	Display Shelves	5	0.08	0.40
3	Computers	2	0.40	0.80
	Total Amount			1.70

1. BSM India (Bengal Shoe Machinery Pvt Ltd):
Metro station, Rohtak - Delhi Rd, opp.
Metro Pilar No. 583, near Mundka Industrial Area,
Mundka Industrial Area, Mundka, Delhi, 110041 .
2. Royal Machine Tools
Udyog Nagar, Mangolpuri,
Delhi, 110086
3. SHKI Machinery
55 Lalsot Dham, near Nimt College,
Jaipur, Rajasthan 302012
4. Kumar Footwear Machinery (KFM)
69, MIE Part-A, Bahadurgarh,
Haryana 124507

13. SALES REALIZATION CALCULATION

Sr. No	Product	Quantity (in pair)	Sales in Percentage	Total Sales (Rs in Lakhs)
1	Canvas Shoes - Various	7000	100%	126.00
		Total	100%	126.00

14. PROFITABILITY CALCULATIONS

Sr. No	Particulars - Amount (Rs.)	Year-I (Rs in Lakhs)
A.	Sales Realization	
	Sales (Assuming 15% growth per year)	126.00
	Other Income (Assuming constant)	
	Total Sales Realization	126.00
B.	Cost of Production	
	i) Raw Materials	66.25
	ii) Utilities (Assuming constant)	0.6
	iii) Manpower (Salaries/wages)	11.04
	iv) Administrative Expenses (Assuming constant)	0.55
	v) Selling & Distribution Expenses (Assuming constant)	0.4
	viii) Interest (Assuming constant)	2.14
	Total Cost of Production	80.98
	No of Units Produced	6,748
	Cost of Goods Sold	0.012

	Gross Profit/Loss (A – B)	44.03
	Less: Depreciation	1.71
C.	PBIT (Profit Before Interest and Tax)	42.33
D.	Income-tax (Assuming 28% tax rate)	11.86
E.	Net Profit/Loss (C - D)	30.48
F.	Repayment	2.14
	Retained Surplus (E - F)	28.35

15. BREAKEVEN ANALYSIS

Fixed cost	Year-I (Rs in Lakhs)
Depreciation	1.71
Interest	2.14
Manpower	3.31
Total Fixed cost	7.16
Variable cost	
Raw materials	66.25
Utilities	0.6
ManPower	7.73
Administrative expenses	0.55
Selling & distribution expenses	0.4
Total Variable cost	75.53
Contribution margin	20%
Break-Even Point in Value	35.80

16. STATUTORY/GOVERNMENT APPROVALS

In the context of starting a canvas shoe manufacturing project in Uttarakhand, India, several statutory and government approvals are required to ensure legal compliance and smooth operations. These approvals may include:

A. Business Registration:

- Business Entity Registration: Register the business as a sole proprietorship, partnership, limited liability partnership (LLP), or private limited company, as per your chosen structure.
- GST Registration: Obtain a Goods and Services Tax (GST) registration to comply with India's taxation regulations.

B. Industry-Specific Approvals:

- **SSI/Udyog Aadhar Registration:** Register your micro or small-scale unit under the Udyog Aadhar scheme to avail various benefits and incentives.
- **Factory License:** Depending on the size and scale of your manufacturing unit, you may need a factory license under the Factories Act.

C. Labor Regulations:

- **Labor Compliance:** Comply with labor laws and regulations, including obtaining the necessary labor licenses and adhering to minimum wage requirements.

18. BACKWARD AND FORWARD INTEGRATIONS

A. Backward Integration

Backward integration in the context of canvas shoe manufacturing involves activities related to the supply chain that move closer to the source of raw materials and inputs required for shoe production. In Uttarakhand, consider the following for backward integration:

- **Raw Material Sourcing:** Explore options for procuring high-quality canvas fabric, rubber soles, insoles, and other essential shoe components from local suppliers or manufacturers. Building strong relationships with suppliers can help ensure a consistent supply of raw materials.
- **In-House Fabrication:** Consider setting up an in-house unit for fabricating shoe components, such as insoles, eyelets, or laces, to enhance control over quality and reduce dependence on external suppliers.
- **Sustainable Material Sourcing:** Investigate sourcing sustainable and eco-friendly materials for your canvas shoes to appeal to environmentally conscious consumers.

B. Forward Integration

Forward integration involves activities that move your business closer to consumers and distribution channels. In the context of canvas shoe manufacturing in Uttarakhand, consider the following for forward integration:

- **Retail Outlets:** Establish your own retail outlets or partner with existing footwear retailers in Uttarakhand to directly sell your canvas shoes to consumers. This allows you to showcase your products and build brand presence.
- **E-commerce Presence:** Leverage e-commerce platforms to reach a wider customer base, especially considering the growth of online shopping. Invest in creating an online storefront for your canvas shoes.

19. TRAINING CENTERS AND COURSES

- **Central Footwear Training Institute (CFTI):** Located in Chennai, Tamil Nadu, CFTI is a premier institution for footwear design and production technology. They offer comprehensive courses in footwear manufacturing, pattern making, and quality control.
- **Footwear Design and Development Institute (FDDI):** FDDI has several campuses across India, including Jodhpur, Rajasthan. They offer courses in footwear design and production, covering various aspects of the footwear industry, from design to manufacturing.
- **State Skill Development Missions:** Uttarakhand's State Skill Development Mission often collaborates with various training institutions to offer short-term skill development courses in different trades, including footwear manufacturing. These courses can be a cost-effective way to gain practical skills.

Swayam portal (link: <https://swayam.gov.in/>) can also be accessed for enhanced learning on business commerce, accounting, production, marketing, and areas of entrepreneurship.

When selecting a training program or center, consider your specific goals and budget. Ensure that the chosen course aligns with your needs and provides practical knowledge that will be valuable for your canvas shoe manufacturing venture in Uttarakhand.

Disclaimer

Only few machine manufacturers/institutes are mentioned in the profile, although many machine manufacturers/institutes are available in the market. The addresses given for machinery manufacturers/institutes have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.