

FOOTWEAR MAKING AND SERVICING

1. INTRODUCTION

The "Footwear Making and Servicing" project is a micro and small investment initiative located in the picturesque region of Uttarakhand, India. Uttarakhand, known for its natural beauty and tourism potential, presents a promising opportunity for the footwear industry. This project aims to cater to the local demand for high-quality footwear while also contributing to the region's economic development. Uttarakhand's natural allure and tourism appeal provide a strategic advantage for the footwear industry. As tourists flock to the region to explore its scenic beauty and cultural heritage, there emerges a significant market for high-quality footwear catering to both locals and visitors alike.

2. PRODUCT & ITS APPLICATION

The project primarily focuses on the production and servicing of footwear, including a wide range of shoes, sandals, and related accessories. These footwear products cater to various market segments, including:

- **Casual Footwear:** Stylish and comfortable footwear suitable for everyday wear.
- **Formal Footwear:** Elegant shoes and sandals designed for formal occasions and professional attire.
- **Sports and Athletic Footwear:** Sport-specific shoes suitable for various activities like running, hiking, and sports.
- **Servicing and Repair:** The project also offers repair and maintenance services for damaged footwear, extending the lifespan of customers' existing shoes.

The products find applications among individuals of all ages and demographics, meeting their diverse footwear needs.

3. DESIRED QUALIFICATION FOR PROMOTER

To effectively run the "Footwear Making and Servicing" project in Uttarakhand, the promoter needs expertise in footwear manufacturing processes, business management, and marketing. Industry experience and creative design skills are advantageous, along with understanding local market dynamics and resource management. The promoter must prioritize delivering high-quality products and services to succeed in this venture..

4. INDUSTRY OUTLOOK AND TRENDS

The Indian footwear industry is burgeoning due to evolving consumer tastes, rising incomes, and a fashion-forward population. Key trends include a shift towards sustainable materials, customizable options, e-commerce expansion, athleisure footwear, and a preference for locally-made products. Leveraging these trends, the "Footwear Making and Servicing" project in Uttarakhand can carve a niche in the market and boost regional economic growth.

The footwear industry is expected to grow in 2023:

- **Global revenues:** In 2023, global revenues are estimated to reach \$93.6 billion, a 6.7% year-over-year rise.
- **India:** The Indian footwear market is expected to generate revenue of USD 24.86 billion by 2023, with a 4.84 per cent annual growth rate.
- **Global market:** The global footwear market is forecasted to hit US\$ 688.4 billion by 2033, rising at a steady CAGR of 4% from 2023 to 2033.

- **Athletic footwear:** The athletic footwear market is projected to experience an annual growth rate of 4.08% (CAGR 2024-2028).

5. MARKET POTENTIAL AND MARKETING ISSUES; IF ANY

The footwear market in Uttarakhand presents significant potential driven by tourism, local demand, rural markets, and customization preferences. Tourists seek various footwear types, from trekking shoes to traditional wear, while locals require everyday footwear for formal and casual use. However, challenges include competition from established brands, distribution logistics, ensuring consistent quality, and effective marketing and branding efforts to differentiate in a competitive landscape. Nonetheless, addressing these challenges can unlock opportunities and tap into Uttarakhand's diverse footwear market.

Some footwear brands in India include:

- **Bata:** A leading footwear manufacturing brand in India, and the largest retailer of footwear in the country.
- **Liberty Shoes:** A top shoe manufacturer in India, producing 50,000 pairs of footwear daily. It's the fifth largest producer of leather shoes in the world.
- **Khadim India Ltd:** The second-largest footwear retailer in India, with a strong presence in East India.
- **Relaxo:** A top footwear producer in India, with an estimated business value of around 17 billion in 2021. It's among India's 500 most valuable companies, and manufactures slippers, sandals, and casual and sports shoes.
- **AJIO:** The leading online store in the Indian footwear market, with a revenue of US\$104.1 million in 2022.

6. RAW MATERIAL REQUIREMENTS

The raw materials required for footwear making typically include:

- **Leather:** For leather footwear, high-quality leather is a primary raw material. Varieties of leather such as full-grain, top-grain, and suede may be used.
- **Synthetic Materials:** For non-leather footwear, synthetic materials like PU (Polyurethane), PVC (Polyvinyl Chloride), EVA (Ethylene-vinyl Acetate), and rubber are common choices.
- **Textiles:** Fabrics for inner linings and upper portions of certain types of footwear.
- **Soles and Heels:** Rubber or TPR (Thermoplastic Rubber) materials for soles and heels.
- **Insoles and Cushioning:** Materials like foam, EVA, or gel for insoles and cushioning.
- **Thread and Laces:** Threads for stitching and laces for closure.
- **Adhesives:** High-quality adhesives to bond different parts of the footwear.
- **Accessories:** Buckles, eyelets, and other decorative or functional accessories.

Raw material procurement should prioritize quality and durability to ensure the production of comfortable and long-lasting footwear products.

- **Hindustan Leather Products:** Address: Shop No. 18/835, Thali Complex, Kandamkulam Cross Road, Tali Jublee Road, Markazudaawa, Kandamkulam, Palayam, Kozhikode, Kerala 673002. Phone: 0495 401 5587
- **AN GLOBAL SERVICES:** Ground Floor, A-67, Tagore Garden Extn., New Delhi, Delhi, 110027, India
- **ALERT INDIA PVT. LTD.:** C-1, SMA Industrial Estate, GT Karnal Road, Delhi, Delhi, 110033, India

7. MANUFACTURING PROCESS

The manufacturing process for footwear involves several steps:

- **Design:** Create or select shoe designs, considering the target market and trends.
- **Pattern Making:** Develop patterns based on the design, accounting for various shoe sizes.
- **Cutting:** Cut the chosen raw materials (leather, synthetic materials) into pattern pieces.
- **Stitching:** Assemble the pattern pieces using stitching machines, ensuring proper fit and structural integrity.
- **Sole Attachment:** Attach soles and heels to the shoe uppers using adhesives and stitching.
- **Finishing:** Trim excess material, polish the footwear, and inspect for quality.
- **Quality Control:** Conduct thorough quality checks to ensure each pair meets the desired standards.
- **Packaging:** Package the finished footwear for distribution.
- **Marketing and Sales:** Develop marketing strategies to promote the products and make them available to customers through various sales channels.

The choice of manufacturing process and equipment may vary depending on the type of footwear produced, whether it's leather, synthetic, or a combination of materials. Ensuring high-quality craftsmanship is essential to succeed in the competitive footwear market.

Some BIS standards for footwear include:

- IS 5557: 2004: Industrial and protective rubber knee and ankle boots
- IS 5557 (Part 2): 2018: All rubber gum boots and ankle boots
- IS 5676: 1995: Solid rubber soles and heels
- IS 6664: 1992: Rubber microcellular sheets for soles and heels
- IS 6719: 1972: Solid PVC soles and heels
- IS 15844:2010: Sports footwear

No product can be legally sold, exported, or imported into India without having both the BIS logo and BIS number affixed. The logo must be clearly visible, and attaching it to the marking label or in close proximity is considered the preferred option.

8. MANPOWER REQUIREMENT

Sr. No	Particulars	No.	No of month in year	Wages/Salaries per month (Rs. In Lakhs)	Annual Expense (Rs. In Lakhs)
1	Self-employed	1	-	-	-
2	Skilled Person	2	12	0.2	4.8
3	Semi-skilled Person	4	12	0.15	7.2
4	Unskilled	4	12	0.12	5.76
	Total				17.76

9. IMPLEMENTATION SCHEDULE

Sr. No.	Activity	Time Required (in months)
1	Acquisition of premises	1
2	Construction (if applicable)	1.5

3	Procurement & installation of Plant & Machinery	2.5
4	Arrangement of Finance	1
5	Recruitment of required manpower	1
6	Total time required (some activities shall run concurrently)	3

10. COST OF PROJECT

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
1	Land	-
2	Building (Rented)	-
3	Plant & Machinery	17.34
4	Equipment and Furniture Exp.	1.60
5	Misc. Fixed Asset	0.02
6	Preoperative & Preliminary Exp.	0.20
7	Working Capital	9.80
	Total Project Cost	28.96

11. MEANS OF FINANCE

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

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
1	Promoter's contribution	11.58
2	Bank Finance	17.37
	Total	28.96

12. LIST OF MACHINERY REQUIRED

A. Machinery

Sr. No	Particulars	Unit	Price per Unit (Rs. in lakhs)	Total Amount (Rs. in lakhs)
1	Shoe Cutting Machine	1	0.30	0.30
2	Stitching Machine (Industrial)	1	0.40	0.40
3	Sole Attaching Machine	1	0.50	0.50
4	Sole Press Machine	1	2.00	2.00
5	Lasting Machine (Toe and Side Lasting)	1	6.00	6.00
6	Insole Stitching Machine	1	0.50	0.50
7	Leather Skiving Machine	1	0.45	0.45
8	Pattern Cutting Machine	1	3.50	3.50
9	Grinding Machine (for finishing)	1	0.34	0.34
10	Industrial Sewing Machine (for linings)	1	0.60	0.60
11	Heat Press Machine (for logo application)	1	0.40	0.40
12	Quality Control and Inspection Equipment	-	0.85	0.85
	Total Amount			15.84
	Tax, Transportation, Insurance etc.			1.00
	Electrification Exp.			0.50
	Grand Total Amount			17.34

B. Furniture & Equipment

Sr. No	Particulars	Unit	Price per Unit (Rs. in lakhs)	Total Amount (Rs. in lakhs)
1	Workbenches and Tables	3	0.15	0.45
2	Shelves and Storage Units	5	0.10	0.50
3	Office Furniture (Desks, Chairs, etc.)	set	0.65	0.65
	Total Rs.			1.60

1. Bengal Shoe Machinery Pvt Ltd
Plot At Khasra No 64/10/3 And 64/11/1,
Mundka Industrial Area, Near Prashant Dharam Kanta,
Opposite Metro Pillar No 583,
West Delhi, Matiala, New Delhi - 110041,
Delhi, India
2. Technocrat Mouldings Private Limited
967, MIE, PART-A, Jhajjar,
Bahadurgarh - 124507,
Jhajjar, Haryana, India
3. Aayan Industries
H/833/A/40/107/1/N, Sarodamani Road,
Sevoke Road, Siliguri, Darjeeling-734001,
West Bengal, India

13. PROFITABILITY CALCULATIONS

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
A.	Sales realisation	123.75
B.	Cost of production	
i)	Raw materials	74.25
ii)	Utilities	1.50
iii)	Manpower Cost (Salaries/wages)	17.76
iv)	Administrative expenses	0.70
v)	Packaging Cost	3.71
vi)	Material Lost Cost	3.71
vii)	Selling & distribution expenses	1.44
viii)	Repairs & maintenance	0.00
ix)	Rent	0.40
x)	Interest	2.03
xi)	Misc. expenses	0.00
	Total (B)	105.50
	Gross profit/loss (A – B)	18.25
	Less: Depreciation	1.82
C.	PBIT	16.43
D	Income-tax	-
E	Net profit/loss	13.96
F.	Repayment (Annual)	0.84
G	Retained surplus (E-F)	13.12

14. BREAKEVEN ANALYSIS

Fixed cost	
Land & Building Rent	0.40
Depriciation	1.82
Interest	2.03
Manpower	5.33
Total Fixed cost	9.58
Variable cost	
Raw materials	74.25
Utilities	1.50
ManPower	12.43
Administrative expenses	0.70
Selling & distribution expenses	1.44
Total Variable cost	90.32
Contribution margin	20%
Break-Even Point in Value	47.89

15. STATUTORY/GOVERNMENT APPROVALS

Before starting the footwear making and servicing business in Uttarakhand, entrepreneurs should be aware of the various statutory and government approvals required. These approvals may include:

- A. **Business Registration:** Registering your business entity, such as a sole proprietorship, partnership, or private limited company, with the appropriate government authorities.
- B. **GST Registration:** Obtaining a Goods and Services Tax (GST) registration, which is mandatory for most businesses in India.
- C. **Trade License:** Acquiring a trade license from the local municipal corporation or panchayat.
- D. **Factory License:** If your business involves manufacturing, you may need a factory license under the Factories Act.
- E. **Environmental Clearance:** If your operations impact the environment, you might require environmental clearances and permits from the State Pollution Control Board.
- F. **Labor Laws Compliance:** Ensuring compliance with labor laws, including minimum wages, working hours, and employee benefits.
- G. **Fire Safety Certificate:** Obtaining a fire safety certificate from the local fire department.
- H. **Other Relevant Permits:** Depending on the specific nature of your operations, you may need additional permits and licenses.

Entrepreneurs are advised to consult with local authorities and legal experts to ensure full compliance with all necessary statutory and government requirements.

16. BACKWARD AND FORWARD INTEGRATIONS

A. Backward Integration

Backward integration in the footwear making and servicing industry involves acquiring or controlling suppliers or resources that are part of the production process. This can include:

1. **Raw Material Sourcing:** Exploring opportunities to source leather, synthetic materials, rubber, adhesives, and other raw materials directly from manufacturers or suppliers.
2. **Manufacturing Components:** Consider establishing in-house facilities for producing shoe components like soles, insoles, or buckles, reducing dependency on external suppliers.
3. **Quality Control:** Implementing strict quality control measures at each stage of production to ensure the consistency and quality of raw materials.

B. Forward Integration

Forward integration in the footwear industry involves controlling or expanding distribution channels and reaching end customers directly. This can include:

1. **Retail Outlets:** Setting up your retail outlets or franchises to sell footwear products directly to consumers.
2. **Online Sales:** Establishing an e-commerce platform to reach a wider customer base and enable online sales.
3. **Branding and Marketing:** Investing in brand promotion and marketing to create brand loyalty and recognition among consumers.
4. **Repair and Servicing Centers:** Expanding your business by offering repair and servicing services for footwear, catering to after-sales customer needs.
5. **Export Opportunities:** Exploring export markets and building relationships with international buyers to expand your reach globally.

Both backward and forward integrations can enhance your business's competitiveness, control, and profitability in the footwear industry. However, careful planning and resources allocation are essential for successful integration strategies.

17. TRAINING CENTERS AND COURSES

For entrepreneurs interested in the footwear making and servicing industry in Uttarakhand, there are various training centers and courses available to acquire the necessary skills and knowledge. These training programs can help individuals gain expertise in different aspects of the footwear business, from design and manufacturing to repair and servicing. Here are some notable training centers and courses:

1. **Central Footwear Training Institute (CFTI), Agra:**
 - CFTI, Agra, is one of India's premier institutes dedicated to footwear technology and management.
 - It offers diploma and certificate courses in footwear design, manufacturing, and management.
 - CFTI provides hands-on training in modern footwear production techniques, quality control, and business management.
2. **National Institute of Fashion Technology (NIFT):**
 - NIFT has campuses in various cities, including Delhi, where it offers programs related to fashion and footwear design.
 - NIFT provides Bachelor's and Master's degree programs in accessory design and fashion design, which include footwear design as a specialization.
3. **State Institutes and Polytechnics:**
 - Many states, including Uttarakhand, have state-run technical institutes and polytechnics that offer courses in leather technology and footwear manufacturing.
 - These institutes provide diploma and certificate programs tailored to the needs of the local footwear industry.
4. **Online Courses and Workshops:**

- Several online platforms offer courses and workshops related to footwear design, manufacturing, and repair.
- These online programs allow entrepreneurs to learn at their own pace and from anywhere in the world.
- Swayam portal (link: <https://swayam.gov.in/>) can also be accessed for enhanced learning on business commerce, accounting, production, marketing, and areas of entrepreneurship.

5. Skill Development Schemes:

- The Government of India has launched various skill development and vocational training schemes to empower individuals with employable skills.
- Entrepreneurs can explore these schemes to access training programs related to footwear making and servicing.

6. Local Artisans and Experienced Professionals:

- Learning from local artisans and experienced professionals in the footwear industry can be an invaluable source of knowledge.
- Apprenticeships and on-the-job training with skilled artisans can provide practical insights and hands-on experience.

7. Trade Associations and Industry Events:

- Participation in industry events, seminars, and workshops organized by trade associations can offer networking opportunities and access to industry experts.

Entrepreneurs are encouraged to research and choose training programs that align with their specific goals and needs in the footwear business. Additionally, staying updated on industry trends and technologies is essential for long-term success in this dynamic field.

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

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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.