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UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANISATION

INDUSTRIAL PRODUCTIVITY IMPROVEMENT

SI/ SRL / 96 / 801

RESTRUCTURING ASSISTANCE AND PRODUCTIVITY SURVEY

SUBCONTRACT NO. 96 / 118P

DIAGNOSTIC REPORT
CEYLON LEATHER PRODUCTS LTD.

NATIONAL INSTITUTE OF BUSINESS MANAGEMENT
120 / 5, WIJERAMA MAWATHA
COLOMBO 7
SRI LANKA

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CONTENTS

PAGE

ANNEXES

1.0 INTRODUCTION

The National Institute of Business Management was selected by UNIDO to execute a subcontract on Enterprise Diagnostics for the enterprises participating in the Restructuring Assistance programme. The Restructuring Assistance programme is a part of the UNIDO project on Industrial Productivity Improvement SI/SRL/96/801.

This report was based on the findings of a team consultants who studied the important functions of this enterprise and its operating environment.

2.0 BACKGROUND

In 1941, the colonial government set up the Ceylon Government Leather Factory under the Department of Industries to process raw hides for the manufacture of upper and bottom leather to meet the Governments requirement of leather products. From its inception up to now a strong product line of this enterprise is footwear for the armed forces, civil forces and government institutions.

In 1959 it was converted into State Industrial Corporation under the State Industrial Corporation act of 1955. The name was changed to Department of Industries (D.I.) Leather Products Corporation and up to today the products of this enterprise uses the brand name DI.

Technology for shoe making was upgraded with assistance from Czechoslovakia under a UNDP project

Under the Government scheme of privatisation of public enterprises this organisation was privatised in 1990 and renamed as Ceylon Leather Products Ltd.

The private sector take-over of this public enterprise was spearheaded by Mr. Nimal Samarakkody who is up to now functioning as Chairman and CEO of the privatised venture. Mr. Samarakkody has a long association with the leather industry and is the head of the family business S. A. Perera & Co. The tannery capacity of this company is only second to that of Ceylon Leather Products Ltd.

Ceylon Leather Products Ltd. is considered as a part of a group of companies which include S. A. Perera & Co.

Details of the Board of Directors are as follows:

NAME	STATUS	AREA OF ACTIVITY
MR. N. SAMARAKKODY	CHAIRMAN	CEO
MR. E. SAMARASINGHE	VICE CHAIRMAN	
MR. M. A. ABEYNAYAKE	DIRECTOR	
MR. M. N. R. DE SILVA	DIRECTOR	
MR. B. N. AMERASEKERA	DIRECTOR	
MR. N. A. L. CABRAAL	DIRECTOR	
MR. B. L. E. CABRAAL	DIRECTOR	

3.0 THE ORGANISATION

3.1 THE ORGANISATION STRUCTURE

The present organisation structure of the company is given in **TABLE 3.1.**

This company has three main production units.

The footwear factory at Mattakkuliya and the leather goods factory Ekala is managed by a General Mnager. The General Mnager is responsible for production and human resource development.

The tannery is located at Mattakkuliya. A Tannery Consultant is responsible for its production.

The marketing function and the product development function is under a Marketing consultant.

The Finance Function under a finance controller.

All these positions report to the Chairman. The chairman is also the Chief Executive Officer of the company.

3.2 EMPLOYMENT DATA AND SKILL LEVELS

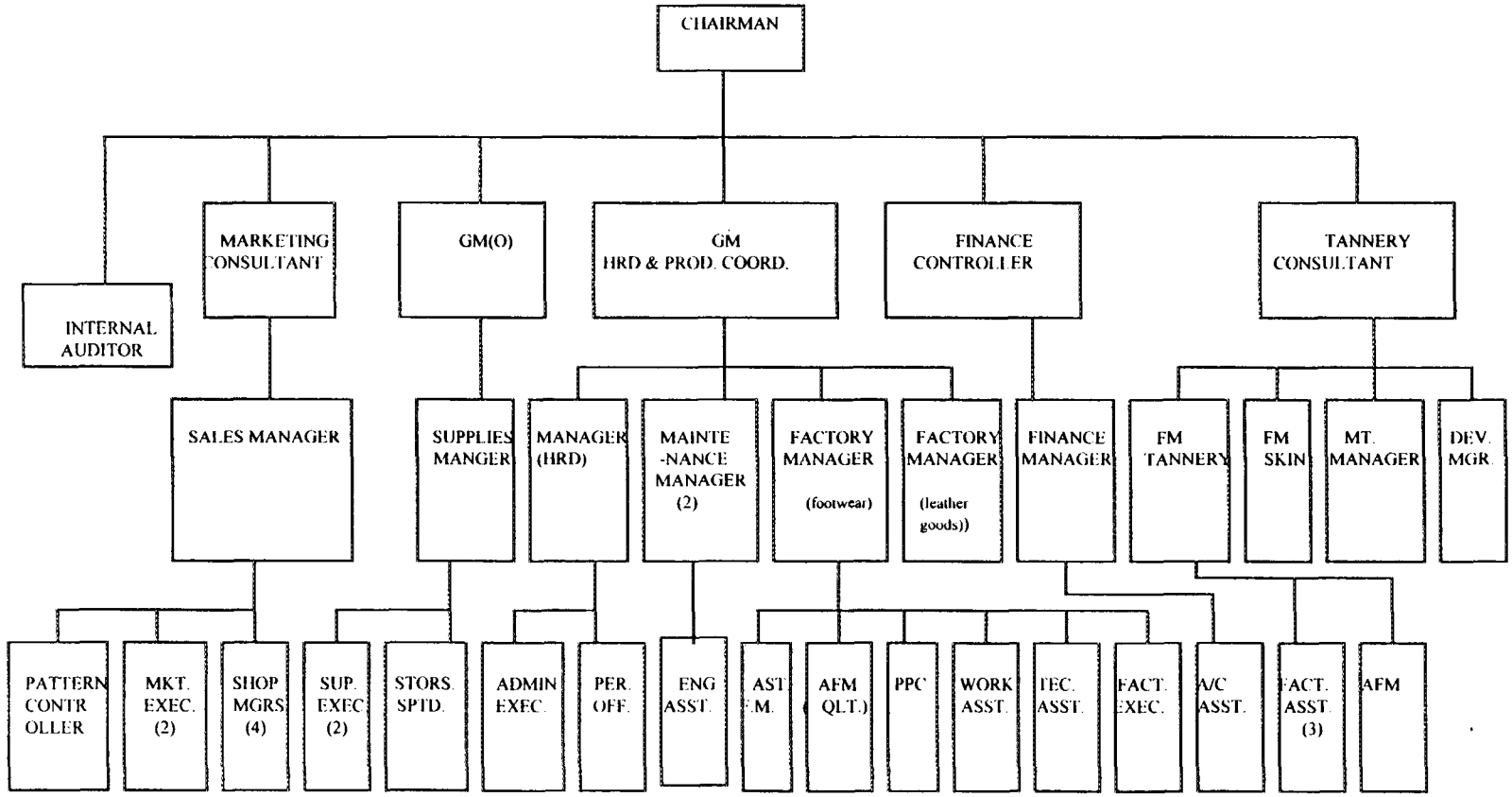
A summary of employment data of the manual grades of employees working in the three factories are as follows:

	FOOTWEAR FACTORY		LEATHER GOODS		TANNERY	
	MALE	FEMALE	MALE	FEMALE	MALE	
Skilled Workers & Semi Skilled	68	9	23	6	30	
Unskilled Workers	22	11	3	2	5	
Casual Workers	27	8	4	1	42	82
TOTAL	117	28	30	9	77	261

Our observation of the manual employees work indicated that their general skill levels were quite adequate to the tasks they are assigned. One of the reasons for this could be that there has been no drastic changes in the processes for a considerable period of time.

At the time of privatisation the number of manual workers were over 1000. It is well accepted that public enterprises in Sri Lanka are over manned. After privatisation this company has managed to successfully downsize the company. The work methods followed are largely what was in practise during public sector days.

TABLE 3.1


CHAIRMAN
INTERNAL AUDITOR
MARKETING CONSULTANT
GM(O)
GM HRD & PROD. COORD.
FINANCE CONTROLLER
TANNERY CONSULTANT
SALES MANAGER
SUPPLIES MANGER
MANAGER (HRD)
MAINTE -NANCE MANAGER (2)
FACTORY MANAGER (footwear)
FACTORY MANAGER (leather goods))
FINANCE MANAGER
FM TANNERY
FM SKIN
MT. MANAGER
DEV. MGR.
PATTERN CONTR OLLER
MKT. EXEC. (2)
SHOP MGRS (4)
SUP. EXEC (2)
STORS SPTD.
ADMIN EXEC.
PER. OFF.
ENG ASST.
AST E.M.
AFM QLT.)
PPC
WORK ASST.
TEC. ASST.
FACT. EXEC.
A/C ASST.
FACT. ASST. (3)
AFM

3.3 BACKGROUND OF MANAGEMENT GRADES

A summary of the backgrounds of a sample of management grades are given in **TABLE 3.2**. Examining the columns related to education and training, number of them have got opportunities to obtain relevant education and training in relation to the skills required by the organisation.

3.4 WORK CULTURE

Though employment in manual grades have been considerably downsized, the general work phase still appear to be rather low. The managers are not clear about implementing the changes required to survive in a competitive private sector environment. The emphasise is on meeting production targets without much considerations being given to action that has to be taken in relation to threats to current markets and opportunities available for improvement.

TABLE 3.2

NAME	AGE	SEX	DESIGNATION	YRS @ FIRM	OL	AL	DEGREE	OTHER ACADEMIC QUALIFICATIONS	TRAINING
M.S.K. Perera	56	M	General Manager	3	8	4	B.Com./M. Sc.	RVB-REG.DEV.	APO-STRATEGIC PLANNING / COMMUNICATION
A.Sarth Ediriweera	42	M	Factory Manager	15	8			MORATUWA UNI.-RUBBER TECHNOLOGY / UK-DIP. IN SHOE TECHNOLOGY	JAPAN- PPC
Mangala Dharmaratne	32	M	Maintenance Manager	5	8	4	BSc.	NIBM-INDUSTRIAL ENGINEERING	CEB & CTB - WIRING / RDA - CIVIL
G. Wickramasinghe	46	M	Factory Manager	16	8	3	DCE	MORATUWA UNI.-DIPLOMA IN CHEMICAL ENGINEERING	UK - PRODUCTION OF LEATHER GOODS
S. DE S. VITHARANA	42	M	FACTORY MANAGER	2	8				MOTOR ENG. / LEATHER TECH.
W. S. KUMARASIRI	51	M	Maintenance Manager	4	8				WORK SHOP PRACTICE
D.P.S.K.D. BALASURIYA	34	M	Maintenance Manager	10	4			NAB-SPECIAL APPRENTICE	CERAMIC TILE MAKING / ENERGY
K.P. SAHABANDU	46	M	FACTORY MANAGER	8					UK-ONE YEAR LEATHER TANNING

NAME	AGE	SEX	DESIGNATION	YRS @ FIRM	OL	AL	DEGREE	OTHER ACADEMIC QUALIFICATIONS	TRAINING
A.J.S.K. de Silva	43	M	Asst. Factory Manager	14	8	4		LICENTIATE IN RUBBER TECHNOLOGY	JAPAN-RUBBER TECHNOLOGY
A.N.R. Gunasekara	43	M	Asst. Factory Manager	6	8	4	B.Sc.		NIBM-SUPLY MGT. / SLSI - QLTY. / JAPAN-QLTY.
S.A.A.P.Perera	46	M	Asst. Factory Manager	25	8				NYSE - COMPUTERS
M.M.M. JUNAIDEEN	50	M	Asst. Factory Manager	6				CITY & GUILDS-LEATHER TECH. / UK HIGHER DIP. LEATHER TECH.	
H.M.D.V. Josaph	50		Work Assistant	5					
C.D. Senanayake	34	M	Production Executive	6	8	3		TECHNICAL COLLEGE - CERTIFICATE IN ELECTRICAL TECHNOLOGY	NAB - TRAINIG / SLSI - QLTY.
A. S. Weeratunga	27	M	Engineering Asst.	2	8	3			GERMAN TECHNICAL COLLEGE - PNEMATICS / NAB-MECHANICAL / CITY & GUILDS
M. Alponsu	22	M	Management trainee	0.5	8	4		AAT - ST. II	

NAME	AGE	SEX	DESIGNATION	YRS @ FIRM	OL	AL	DEGREE	OTHER ACADEMIC QUALIFICATIONS	TRAINING
P. D. TILAKARATNE	52	M	FACTORY ASSISTANT	6	8				
W. V. DEVENDRA	47	M	EXECUTIVE OFFICER (PLANNING AND COORDINATION)	8	2				
M. W.R. TISERA	27	M	PRODUCTION EXECUTIVE	8	4		BSc. (PHYSICAL SCIENCE)		

4.0 PRODUCTION UNITS

For administrative and accounting purposes the production units of the company are divided into the following two sections and are treated as separate profit centres.

i. Tannery.

ii. Footwear factory together with the leather goods factory.

This company have recently formed a separate company to market the products made by the production units and products bought from outside sources. At present, plans are under way to transfer the marketing function together with its facilities and overheads, to this company. Though this company was in existence during the 95 / 96 financial year the value of products marketed through it was not very significant.

5.0 PRODUCTS

5.1 TANNERY

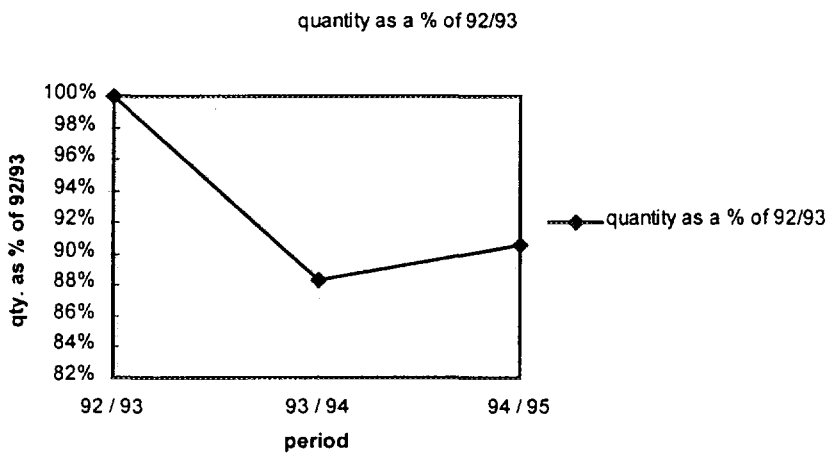
The main outputs and an estimate of the proportion these outputs are as follows:

OUTPUT	OUTPUT AS A % OF TOTAL	% USED BY FOOTWEAR & LEATHER GOODS FACTORY	CURRENT PRICE PER SQ. FT.
corrected grain - chrome tanning - cow hide	30%	95%	Rs.62.60
embosed - chrome tanning - cow & bufallo hide	40%	100%	Rs.50.00
lining including embossed - chrome tanning - 98% cow hide	25%	95%	Rs.34.00
bark leather for soles and belts - bark tannig	4000kg%	100%	Rs. 69 per kg.
full grain / cow calf /	5%	100%	Rs.70.00

Tannery production quantities and values during the three years ending in march 95 are as follows:

	1992 / 93	1993 / 94	1994 / 95
QUANTITY (SQ. FT.)	1,490,744	1,316,888	1,349,832
RUPEE VALUE	Rs.50,011,828	Rs.50,326,305	Rs.60,753,514

A downturn and a partial recovery can be observed.



5.1.1 TANNERY CAPACITY

The capacity of this tannery account for 40% of the formal capacity in Sri Lanka. 80% to 85% of the production of this tannery is used by the footwear factory and the leather goods factory.

5.2 FOOTWEAR FACTORY

5.2.1 PRODUCTS AND PRODUCTION QUANTITIES

The footwear factory has four different production lines. These four lines and the products made in them are as follows:

PRODUCTION LINE	PRODUCT
i. Boots (DMS)	Boots
ii. Stuck On	Civilian / Some Services / Finishing Operations Of Slippers
iii. Flexible	Civilian / Some Services / Starting Operations Of Slippers
iv. Injection Moulding (IMS)	Sports Shoes With Synthetic Uppers & Soles

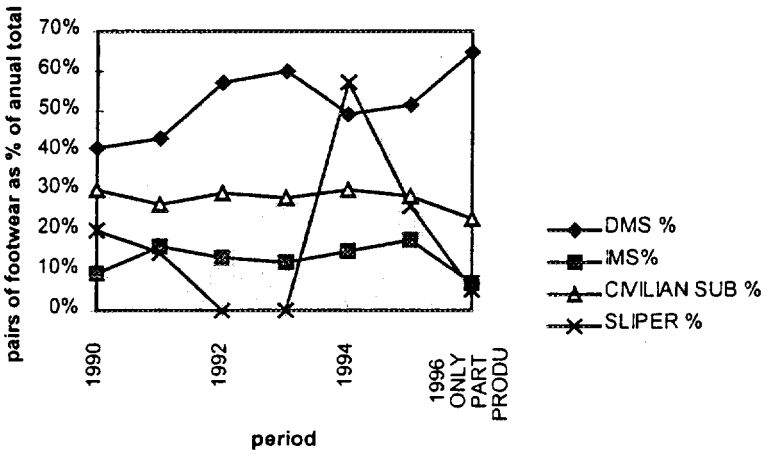
Annual production quantities of various categories of footwear are given in **TABLE 5.1**

TABLE 5.1

ANNUAL PRODUCTION QUANTITIES IN PAIRS OF SHOES PRODUCED BY THE FOOTWEAR FACTORY

	DMS	DMS %	IMS	IMS%	CIVILIAN	FLEXIBLE	SERVICES	SUB TOTAL	CIVILIAN SUB %	SLIPPER	SLIPER %	GRAND TOTAL
1990	120850	**40%**	27334	**9%**	35532	35001	19789	90322	**30%**	60067	**20%**	298573
1991	106305	**43%**	40134	**16%**	20996	29873	14566	65435	**26%**	36128	**15%**	248002
1992	156164	**57%**	36661	**13%**	0	0	0	79590	**29%**	0	**0%**	272415
1993	167703	**60%**	34343	**12%**	29198	0	10847	78579	**28%**	0	**0%**	280625
1994	139561	**49%**	42512	**15%**	60214	0	25727	85941	**30%**	16067	**57%**	284081
1995	146667	**51%**	50515	**18%**	74829	4931	1452	81212	**28%**	7478	**26%**	285872
1996 ONLY PART PRODUCTION	91021	**65%**	9475	**7%**	27617	4573	0	32190	**23%**	7570	**5%**	140256

The annual percentage of various categories of footwear manufactured by the Matakkuliya factory are shown in the graph given below. This graph clearly indicates the continuing dominance of the DMS line (Boots Line).



5.3 LEATHER GOODS FACTORY

5.3.1 PRODUCTS

The products made in this factory are as follows:

i. Leather items such as belts and ceremonial fittings required by the armed and civilian forces

ii. Office bags and port folio bags

iii. Personal goods.

iv. Ladies hand bags.

v. Travel bags.

vi. Industrial Items.

vii. Shoe uppers

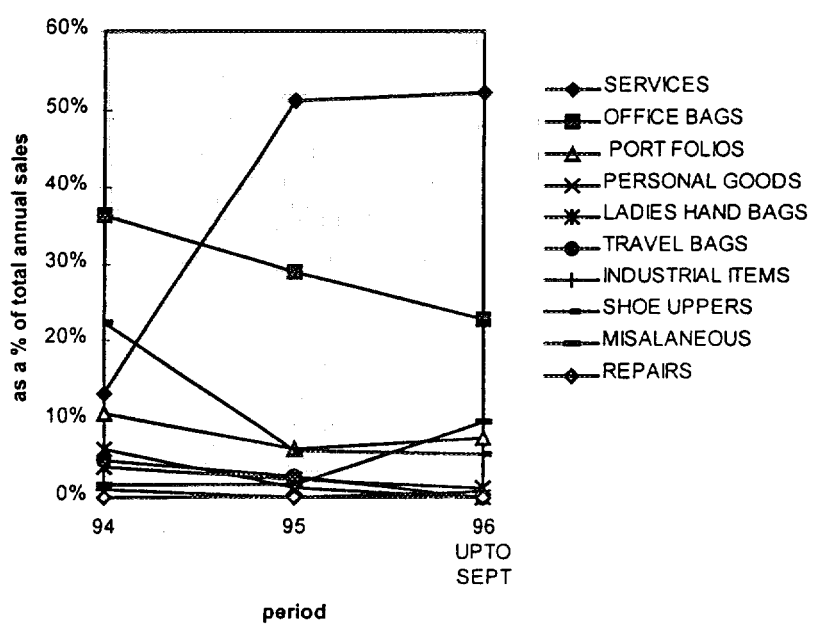
viii. Miscellaneous.

5.3.2 PRODUCTION VALUES

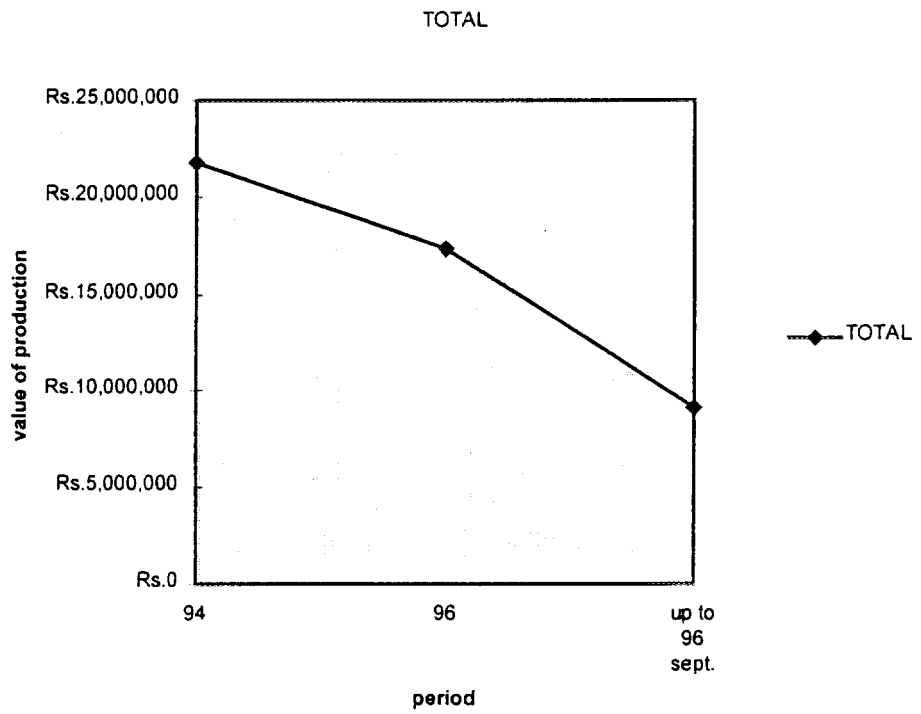
The ex-factory value of items made in this factory during the past two calendar years and up to September 96 are as follows:

	1994	1995	1996 up to September
PRODUCTS FOR SERVICES	Rs.2,889,081	Rs.8,883,422	Rs.4,770,950
OFFICE BAGS	Rs.7,911,906	Rs.5,018,233	Rs.2,074,717
PORT FOLIOS	Rs.2,330,364	Rs.1,083,239	Rs.695,702
PERSONAL GOODS	Rs.1,328,933	Rs.221,602	
LADIES HAND BAGS	Rs.856,715	Rs.396,289	Rs.118,115
TRAVEL BAGS	Rs.1,025,759	Rs.452,925	
INDUSTRIAL ITEMS	Rs.232,207		Rs.72,609
SHOE UPPERS	Rs.4,854,619	Rs.1,021,099	Rs.513,898
MISALANEOUS	Rs.344,926	Rs.277,032	Rs.888,405
REPAIRS	Rs.8,328	Rs.4,785	Rs.3,788
TOTAL	Rs.21,782,838	Rs.17,358,626	Rs.9,138,184

The diagram shown below indicate the percentages of the annual production values of the various categories of products. The dominance of sales to services is clearly indicated. The public sector is the major market for the office bags manufactured by this unit.



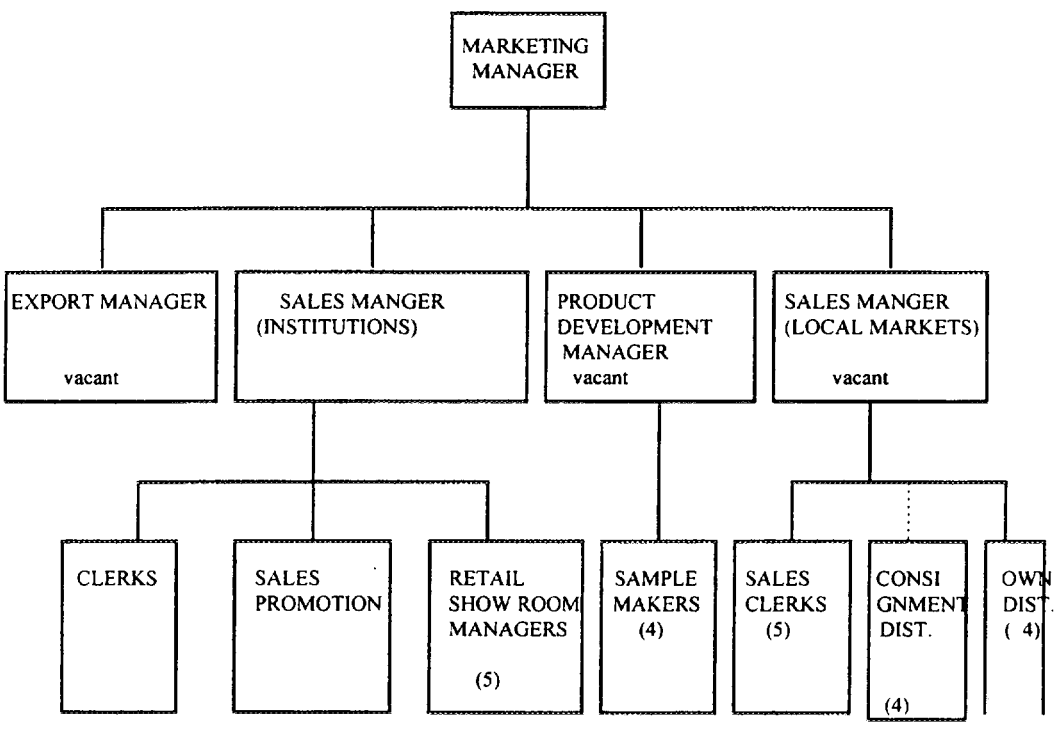
There is a progressive down turn in the production values of the items manufactured by this unit.



6.0 THE MARKETING ORGANISATION,

6.1 MARKETING ORGANISATION

The currently accepted structure of the marketing organisation is given below.



The following important positions are vacant:

- Export Manager
- Product Development Manager
- Sales Manager (Local)

6.2 MARKETING CHANNELS

The products manufactured for orders from institutions and forces are directly marketed to them.

Sale of products are done through the following channels:

i. Through the five retail outlets managed by the company. These outlets are located at:

- Liberty Plaza
- Galle Road, Colpety.
- Fort YMBA
- Prince Street, Fort. (mainly for tannery products)
- Kiribathgoda

ii. Fifteen authorised dealers who are provided with the products of the company on a consignment basis. There are given a margin of 15% on the recommended retail price.

iii. Three distribution vans operated by the company which service the dealers on the following routes:

- Colombo - Matale
- Colombo - Kurunagala
- Colombo - Ampara

iv. Four appointed distributors who are provided with goods on a consignment basis. They supply the company with a bank guarantee and they are given a discount of 25% on the retail price.

The areas serviced by them are:

- Kandy

- Kurunagala
- Polonaruwa and Anuradhapura
- Galle / Matara

v. Export orders are directly negotiated with the buyers. At present this company does not have any regular orders or buyers.

Our examination of the sales outlets engaged in consumer sales indicated that they are not very well focused in terms of salesmanship or demand oriented stocks.

For instance the outlet located in the fashionable shopping complex at Liberty plaza contained a significant amount of cheap products and the display items of leather goods were very poorly selected both in appearance and style.

The salesman does not know or probably care to explain the merits of leather goods or the superiority of the companies products interns of products of other manufacturers.

6.3 MARKETS AND MARKET SHARE

Eighty percent of the business is through institutional clients. The armed forces and civil forces tend to be the larger institutional clients. Orders from the forces are given out by the government on competitive tenders. Both local and foreign suppliers are eligible to quote for these tenders. So far this company has managed to secure comfortable share of this market compared to the availability of its tannery capacity and the footwear making capacity. However there is no absolute guarantee that the this company will continue to get government orders.

Local and the export market take the remaining 20% of the production.

The main manufacturers of footwear in Sri Lanka, and their market shares are as follows:

MANUFACTURER	MARKET SHARE
BATA	35%
DSI	30%
LAKPA	15%
LEATHER PRODUCTS	4%

50% Of the footwear market is for rubber slippers. Leather Products Limited do not market this product. Lakpa's market share of 15% is only from rubber slippers.

Around 85% of the production of the tannery is used by the footwear factory and the leather goods factory.

A list of products and prices are given **ANNEX I.**

6.4 CONSUMERS PERCEPTION OF LEATHER FOOTWEAR

The Sri Lankan consumers in general do not attach a high premium for leather footwear. Manufacturers who supply custom made shoes cater to the upper end of the market. Small quantities of pleasing designs imported from far eastern countries also compete for the upper end of the market.

7.0 TANNERY AND FOOTWEAR FACTORY

7.1 TANNERY PRODUCTION PROCESS AND LAYOUTS OF THE TANNERY AND THE FOOTWEAR FACTORY

The tannery has two main processes:

- Chrome Tanning
- Bark Tanning

The outline of the above processes are given in **ANNEX II.**

An outline of the machine layout of the tannery is given in **ANNEX III.**

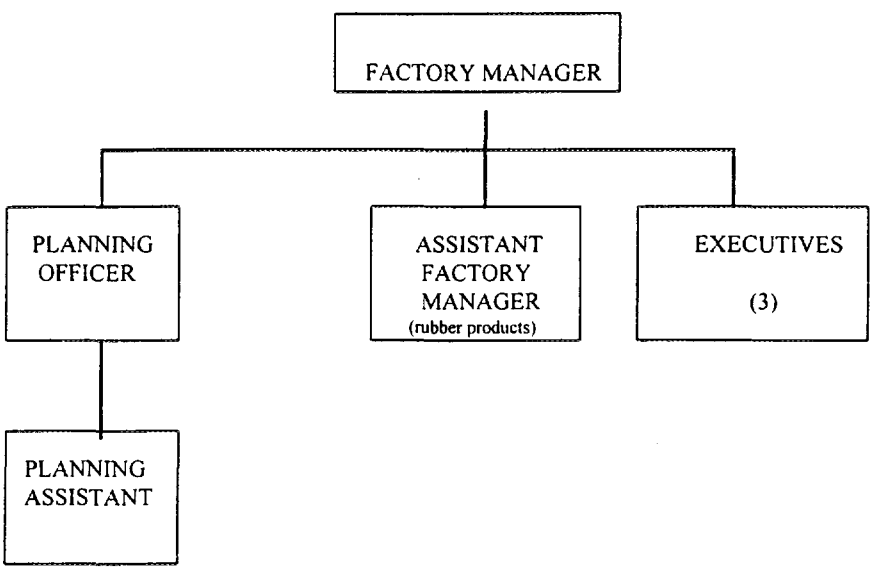
The location of facilities in tannery premises are given in **ANNEX IV.**

An outline of the footwear factory premises layout is given in **ANNEX V.**

Simple changes could in layouts could result in approximately 50% of the land and building areas being available for alternate uses.

7.2 FACTORY ORGANISATION STRUCTURE

The organisation structure of the footwear factory is as follows:



7.3 FOOTWEAR PRODUCTION LINES

The footwear factory has four main production lines.

- Boots line (DMS)
- Stuck on line
- Flexible line
- Injection moulding line

The manner in which the production processes are organised are as follows:

- The parts required for the planned production in all the lines are cut in the clicking section.
- Then the uppers are sewn together in four sections:
    i. Contract section
    ii. 233 Line (for boots)
    iii. IMS line
    iv. Ekala factory for IMS uppers.

- The frequently used eyelet machine is also is located in the contract section.

- The soles and heels required for the production is made in the rubber products section located in the tannery premises and the requirements are supplied to the various assembly lines. The boots section has its own vulcanising unit and therefore untreated rubber soles and heels are supplied to this unit. In addition to the companies own rubber products unit some soles are purchased from a contractor who supply them from his production unit located in the tannery premises.
- Each of the four assembly lines have their independent facilities to assemble and finish a shoe from the components supplied by
    - Stitching sections
    - Rubber products
    - Bought out items.

7.4 CAPACITY OF FOOTWEAR LINES

The current capacity and the present utilisation of the footwear lines are as follows:

LINE	CURRENT CAPACITY IN PAIRS PER SHIFT	CURRENT APPROXIMATE OUTPUT IN PAIRS PER SHIFT	PRESENT UTILISATION
BOOTS LINE (DMS)	800	800	100%
STUCK ON LINE	460	460	100%
INJECTION MOULDING LINE	400	NA	NA
FLEXIBLE LINE	250	AT PRESENT NO DIRECT WORKERS ARE ASSIGNED SIGNIFICANT UTILISATION ONLY DURING SCHOOL SEASONS.	NA

The utilisation of the injection moulding line and the flexible line is significantly low.

8.0 LEATHER GOODS FACTORY

It basically follow a batch production process. In terms of products produced the production capacity is extremely flexible to shift from one product to another.

The bulk of the leather goods manufactured in this factory are made to specific orders. They also do some stitching work for the footwear factory and provide parts for subcontractors. These subcontractors finish the products and return it back to the company.

The main items of machinery in this factory are as follows:

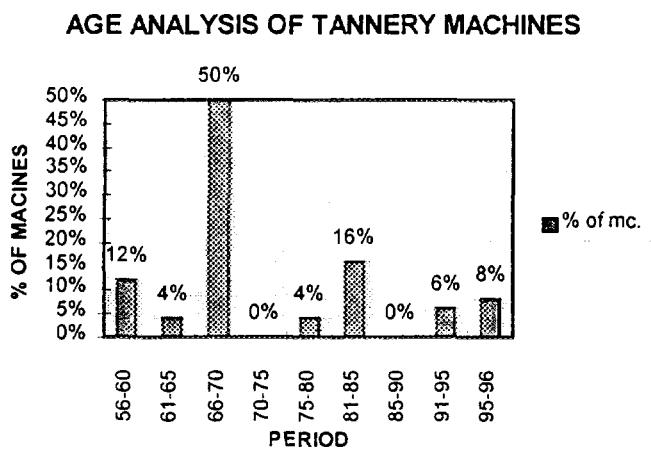
- Five clicking presses
- Two splitting machines

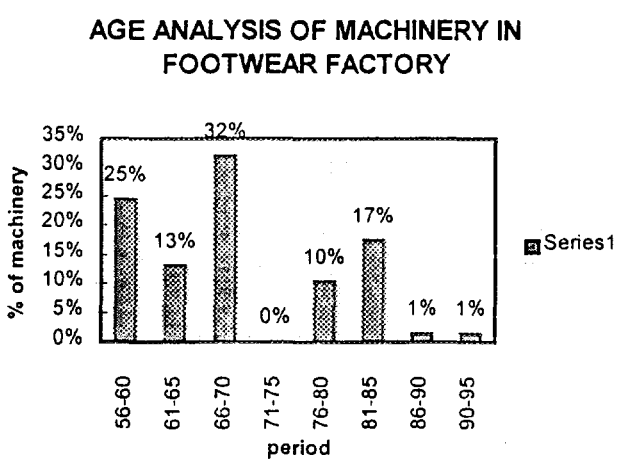
- Sixty sewing machines.

9,0 MACHINERY IN THE TANNERY AND THE FOOTWEAR FACTORY

A list of main items of machinery available in the tannery and the footwear factory is given in **ANNEX VI.**

A profile of the age analysis of the machinery in these two section are shown below. The age of some of the machinery were not available for the analysis.





The age analysis indicate that 66% of the machinery in the tannery and 70% of the machinery in the footwear factory are older than 25 years.

10.0 PRODUCTION PLANNING FUNCTION

80% to 85% of the tannery production is used by the footwear factory and the leather goods factory. Therefore the tannery production plans are mainly based on the demand from these two factories.

The shoe factory is planned on the basis of monthly forecasts given by marketing. These forecasts are given three months ahead. The plan for ordering material and making purchases are done one month ahead. These monthly plans are divided into four periods of one week each. Details production schedules are made and outputs closely monitored for one week periods.

The bulk of the leather goods made in the leather goods factory are made against specific orders by clients.

11.0 MAIN RAW MATERIALS

The main raw materials utilised and there imported and local values are as follows:

MATERIAL	COST PER ANNUM	IMPORTED %	LOCAL %
RAW HIDES			100%
CHEMICALS	Rs. 148,216,000 FOR ALL CATEGORIES	40%	60%
SHOE MATERIAL		50%	50%

12.0 COMPUTER USAGE

This company is in the process of introducing computers. At present it has three stand alone machines located in the following sections:

- Tannery
- Footwear factory
- Head office

The routine outputs obtained by these machines are as follows:

Tannery	• Production plans • Output reports • Production costs
Footwear factory	• Production plans • Output reports • Production costs
Head office	• Salaries and wages • Stock control

The software currently used were developed by external consultants and software companies. The company do not have the capability to modify existing software or design any new software.

13.0 CONCLUSIONS

13.1 ORGANISATION

The products of the footwear factory has entirely different product characteristics, to that of the leather goods factory.

The tannery capacity is the largest in Sri Lanka. Together with the capacities of the other tanneries within the group this group of companies dominate the Sri Lankan tannery product market.

Considering the variations in the products, markets and market positions of the three production units it is important to develop these units separately.

The present structure does not give overall responsibility to the managers in-charge of the three factories. The marketing manager is responsible for marketing and product development, and the finance manager for finance. This structure is a continuity of the public sector thinking of assigning managerial responsibilities.

However large private sector organisations in Sri Lanka also use structures like this but they impose a strong "market driven" profitability oriented approach to production. These organisations also tend to have consumer product ranges which have reached relatively high degree of stability both in terms of the market and product characteristics.

13.2 MANUAL SKILLS, WORK METHODS AND WORK CULTURE

The skill levels of the manual grades of employees are quite adequate to the tasks they are assigned.

The work methods followed are largely what was in practise during public sector days. There is considerable amount of room for the improvement of work methods.

The work culture is quite similar to that of its public sector background. The work phase is slow. The skill divisions are rigid which results in bottlenecks. The managers are not clear nor convinced about the needed to implement changes that are required to survive in a competitive private sector environment. Apart from downsizing the labour force not much attention has been given to action that has to be taken in relation to threats to current markets and opportunities available for improvement.

13.3 LEVEL OF EDUCATION AND TRAINING OF MANAGEMENT GRADES

From the summary of the backgrounds of management grades given in **TABLE 3.2**. and from experience we have had with family owned businesses in Sri Lanka it could be concluded that the managers in this enterprise have relatively high levels of training and education.

13.4 TANNERY PRODUCTS AND CAPACITY

The capacity of this tannery accounts for 40% of the Sri Lankan tannery capacity. Its products and production plans are based on the needs of the footwear factory and the leather goods factory. Around 85% of its capacity is used by these two factories.

When three years outputs are examined a drop production is indicated.

13.5 THE FOOTWEAR FACTORY PRODUCTS, MARKETS AND CAPACITY

The main product line of the footwear factory is the boots line. This line accounts for 65% of production in terms of numbers of pairs of footwear manufactured by the company. The total capacity of this line is used to serve the orders from the forces. Its current capacity is fully utilised.

The other lines of the footwear factory are:

- Stuck on line
- Injection moulding line
- Flexible line

The present capacity of 460 pairs of footwear of the stuck on line is fully utilised. The injection moulding capacity and the flexible line capacity are only marginally utilised.

This company has 4% of the market share for footwear. Bata and DSI are the market leaders with 65% of the market between them.

Around 80% of production of this factory are sold to institutions. Out of the institution clients the forces and the civilian forces are the largest clients.

The pattern of the product categories or the clients have changed very little from its inception in 1941.

13.6 LEATHER GOODS FACTORY PRODUCTS AND MARKETS

The products are made essentially to order. Sales to services and office bags amount to 75% of the current sales turnover. 23% of the 75% turnover is from office bags and most of it is also supplied to government organisations. A breakdown of the production values of the various product categories are as follows:

	94	95	96 - UP TO SEPT
SERVICES	13%	51%	52%
OFFICE BAGS	36%	29%	23%
PORT FOLIOS	11%	6%	8%
PERSONAL GOODS	6%	1%	0%
LADIES HAND BAGS	4%	2%	1%
TRAVEL BAGS	5%	3%	0%
INDUSTRIAL ITEMS	1%	0%	1%
SHOE UPPERS	22%	6%	6%
MISCELLANEOUS	2%	2%	10%
REPAIRS	0%	0%	0%
TOTAL	100%	100%	100%

The factory has a reasonably acceptable levels of skills to develop production designs from samples which is an essential feature for exports and for developing consumer products for the local market..

Since the government institutions are opening up their markets for competitors of this company the instability of future government orders have to be accepted. New products have to be developed to suit the local consumer markets and also adopt an active strategy to canvas for export orders.

If the export volumes of typical types of products this factory is capable of producing is to be stepped up, significant quantities of non leather material may have to be used. In the event of considering export orders another factor to be considered is the ability of the tannery to cope with the quantities, material types and the quality that is required.

13.7 THE MARKETING ORGANISATION

The marketing function of the products made by all the three units are handled by this section. In addition to the marketing function the product design function of the footwear section is also handled by this section.

Number of key positions in the organisation are vacant and they are as follows:

- Export Manager
- Product Development Manager
- Sales Manager (Local)

The present structure and its positions are largely what has been in existence since the public sector times. There is no clear attempt to change the organisation to formally recognise the absence of the above key personnel and to accommodate the changes that has to take place in a transition to a private sector business from a public sector one.

The earlier certainty this institution placed on public sector orders is not true any more. Since This institution is now treated as a private sector organisation by the public sector. The result would be that they will have to compete with both local and foreign enterprises when attempting to get orders from the public sector.

The company will have to devise a marketing organisation that can drive production with increased sales to the private sector consumer market. The international leather footwear market is very competitive and attempts by some Sri lankan firms to break into it has resulted in total failure. Therefore this company will have to adopt a strategy to develop an internal market for its footwear. When developing the products for such a strategy the low utilisation of the injection moulding line and the flexible line could be taken into account.

13.8 THE SALES OUTLETS

The sales outlets managed by the company are well located. They can be made the centre of a consumer sales campaign for the company's products.

It is important to adopt a stocking policy that would reflect image of the products.

If the full potential of these outlets are to be exploited much improvements are needed in product displays, salesmanship and publicity.

13.9 DEALERSHIPS

If an improvement in the local market share is to be expected, the number of dealerships will have to be significantly increased. This also means that the company will have to be market oriented in their products and maintain a continuous supply of goods to the dealers. In the event of increasing the concentration on the local market the company will have to help the dealers by significantly increasing the present intensity of advertising.

13.10 CONSUMERS PERCEPTION OF LEATHER FOOTWEAR

At present the Sri Lankan consumers in general do not attach a high premium for leather footwear. However highlighting the advantages of leather in the publicity campaigns will give a sufficient edge over the competitors products.

13.11 SPACE UTILISATION

Little changes to the layouts of the two Mattakuliya factories would make a significant amount of building space free to be used for some other purpose. These changes could also result in considerable savings in material handling costs. The tannery premises has a significant amount land that can be used for a alternate purposes. Land and building space freed by rationalising the layout can leased and used for generating an additional income which can be estimated to be over Rs. 500,000/= per month.

13.12 TECHNOLOGY

Age analysis of the machinery indicate that 66% of the machinery in the tannery and 70% of the machinery in the footwear factory are over 25 years old.

This factor could pose to be a considerable constraint when attempting to shift away from government orders and develop market oriented products at competitive prices.

The company has not addressed this problem sufficiently to asses a suitable future strategy.

14.0 RECOMMENDATIONS

ORGANISATION

1. Considering the diversity of the products produced in three production units and the market characteristics of these its best to mange the operations of these three units separately.

   The present organisational structure does not give the independence needed by these units to become competitive, market oriented and realistically evaluate their performance from a commercial view point.

   We recommend the following action which will give these units the desired independence.

   i. Appoint separate Chief Executive Officers for the three production units.

   ii. Bring the marketing function, accounting and finance management function, important elements of the purchasing function and the product development function of each of these factories under the proposed executive positions.

2. Reorganise the marketing organisation to accommodate the impact of appointing executive officers with marketing responsibility to the production units. In the very short run reorganise to accommodate the key vacant positions.

MANUAL SKILLS, WORK METHODS AND WORK CULTURE

3. Establish a practically oriented work study / industrial engineering unit with adequate staff to study work methods and recommend improvements which can be carried out with capital expenditure with playback periods of less than one year.

4. Take steps to dismantle the current rigidities in skills which would give greater flexibility in allocating tasks to labour.

5. Embark on a programme to increase the managers awareness to changes that are required to survive in a competitive private sector environment and clearly define the roles of the senior and middle level managers which are required to achieve the organisational objectives.

PRODUCTS

6. The shoe factory should diversify their products to the consumer and export markets by breaking away from the present practice of serving the needs of the forces and the government.

7. In order to capture a share of the turnover of other shoe manufacturers the footwear factory should explore the feasibility of selling parts to these manufacturers

8. Immediate steps should be taken to make the product design function in the footwear factory more fashion conscious.

9. The leather products factory at Ekala should concentrate to develop regular lines of exports in addition to the present concentration of supplying the needs of the Sri Lankan Government sector which includes the forces.

MARKETING

10. To improve short run sales of leather shoes, the company should embark on a campaign aimed at creating a "luxury consciousness" of leather shoes produced by the company.

11. The sales staff of the shoe and finished product outlets should be trained in salesmanship. They should be given more knowledgeable about the products they are selling.

12. Each of the company owned outlets must be given specific sales targets to be achieved and these targets should be based on the break-even sales and reasonable profits from these outlets. If these targets cannot be achieved and improved steps should be taken to close the unprofitable outlets.

13. The companies sales outlets should have a stocking policy reflective of their market.

14. The company should review the position regarding the dealerships and distribution in the light of their future marketing strategy.

15. Attention should be to improve the point of sales advertising of the companies products both in the own outlets and the dealers outlets.

LAYOUT , SPACE UTILISATION AND MATERIAL HANDLING

16. The company should take steps to identify and lease the spare building space in both the Mattakuliya factories and the spare land in the tannery to generate an additional income which we believe could exceed Rs. 5,00,000/= per month.

17. When making little changes to the layouts to release spare space opportunities for cost savings to be achieved by improving the martial handling function should be considered.

LONG TERM STRATEGY

18. Age analysis of the machinery indicate that 66% of the machinery in the tannery and 70% of the machinery in the footwear factory are over 25 years old.

    A high capital will be required to update the technology in the footwear section. Updating the technology and increasing the dealership performance will be essential if the company is to secure a significant part of the consumer market in shoes.

    At present the leather goods section is mainly manual skill based and not very capital intensive. Performance of this section could be increased by removing the practices which result in skill rigidities and concentrating on the marketing effort.

    Tannery products of this company already has a significant part of the Sri Lanka market.

    Considering this overall situation we recommend that the long term strategy of this company should be to increase its performance and profitability by:

    i. Increasing the capacity of the leather goods factory.

    ii. Ensure the market share dominance of the tannery products.

15.0 FINANCIAL REVIEW

15.1. INTRODUCTION.

In the earlier phase of the study a profile of the company was compiled, which included the financial performance and the financial status of the company. In this phase a review is done of these same areas, with a view of making recommendations for changes which we feel are desirable, in the interest of the company.

We have also made a study on the staffing and related organisational aspects of the finance function. The financial management activities are also reviewed.

15.2. FINANCIAL PERFORMANCE.

In the first phase of the study, certain areas which warranted special attention were identified . These aspects are dealt with in more detail.

15.2.1 Sales

The sales in the past three years were inconsistent. In 1995/96 there was a growth with the turnover surpassing the level reached in the previous two years by 20 % approximately . In 1996/97 the turnover is showing signs of further growth with the average sales until August being Rs. 19.8 Mn. as compared to Rs. 17.13 Mn in the previous year. With the normal trend for Sales of consumer goods, being higher in the second half of the year, there is every likelihood of the turnover showing a larger increase by the end of the year.

Increased sales would no doubt assist in improving the financial performance provide the sales effected are in respect of the items with clear profit margins. The sales mix would be of prime importance in terms of attempting to achieve improved profitability. As the industry is susceptible to changes in the attitude of the consumer, a continuous appraisal of the market needs and means to meet such demand would be a high priority.

15.2.2 Profitability.

The sale price is a key factor determining the profit margin of an organisation.

Not only does CLPL display an inconsistent profit margin but it is also comparatively low.

It is seen that the profit margins even in the better years are at a maximum of 13% of Turnover. The low margin could be attributed to the sales to the forces which are priced at minimal profits. Sales to the armed forces forms a considerable proportion of the items marketed by the Shoe Factory.

The other factors which have a bearing on this aspect may be considered to be:

(1) Raw Material costs.

This is the major cost being 48% and 44% of total costs in 1995/96 and 1994/95 respectively. It is observed that a major portion of raw materials consist of transfers effected from the Tannery operated by CLPL. The overheads attributed to the tannery as seen by the monthly manufacturing account for December ' 96 was 26% of manufacturing costs. The major items of overheads are `Staff Remuneration, Electricity and Depreciation.
This is a possible area for control of costs with the Tannery being under utilised in terms of capacity.

(2) Financial Expenses

This category of expenditure forms 24% of the total cost. Interest on loans/overdrafts forms another major contributory factor for the erosion of profitability.

The company has had to cope with :

1. Losses of the past. The accumulated loss as at 31st March 1996 being Rs. 122 Mn.

2. Compensation paid to ex employees on retirement.

Another factor which has had a effect on finances could be stated to be the lending to associate companies - Rs 17.1 Mn as at the end of 1995/96 as against inter company borrowing which is much lower, being Rs. 3.6 Mn.

(3) Stocks of Raw Materials and Finished goods.

Considerable funds are invested in stocks of raw materials and finished goods.

	1995/96	1996/97
Stock Turnover		
Raw materials - months	3.4	3.9
Finished Goods- months	2.7	2.7

Reduction in stock holding could ease the liquidity situation and curtail finance costs.

It is vital for the company to take measures to improve profitability as continuous losses would make further inroads into the already weak financial structure

15.2.3 Financial Structure.

A critical factor to be considered is whether the present financial structure could sustain the future operations of the company.

1. Although the Share Capital and reserves as at 31st march 1996 were Rs. 237 Mn, the accumulated loss as reflected in the Profit and Loss Account of Rs. 122.3 Mn has considerably eroded the capital structure.

2. It should also be borne in mind that the Share holders funds includes Rs. 141 Mn arising from the revaluation of the Fixed Assets. The increased Share Capital of Rs. 50 Mn. from 1994/95 has been as a result of the Bonus share issue, utilising the Capital Reserve.

3. The liabilities arising from operations and the dues to financial institutions are considerable.

In 1995/96 the current ratio was .64 with liabilities being :

Short term loans and Over drafts Rs. 46.3 Mn; Long term liabilities Rs. 41.6 Mn.

4. In addition Rs 60 Mn was due for Turnover Tax and Rs 15 Mn to the General Treasury, part of the amount due on purchase of shares.

Because of the weak financial position of the company it is doubtful whether the company would be able to sustain itself in the short term even on the assumption that a turnaround of profitability is achieved with the measures recommended. An improvement in fortunes is likely to be a slow process with the impact on the liquidity possibly taking a considerable time. An available alternative would therefore be to consider the re structuring of the capital, with the introduction of liquid funds in the form of equity. These funds could then be possibly utilised to reduce the liabilities . A detailed study would need to be carried out to determine the nature and quantum of the financial requirements and the manner of their disposal.

15.3 ORGANISATION OF FINANCE DIVISION.

15.3.1 Findings

The Finance Director who is a leading professional Accountant overlooks the financial activities of the group including CLPL. He provides a link with the top management, whilst also imparting his knowledge and guidance for financial policy, systems and accounting. The finance division is presently headed by the Finance Manager. He overlooks the routine operations, ensuring that controls are in place and being complied with. He is also responsible to the management for proper accounting of the financial transactions.

The Finance Manager is a professionally qualified Accountant with related experience. However he joined CLPL, within the last year.

The Finance Manager is assisted by an Accounts Assistant who has been in the organisation for many years. She has risen from the ranks of the Finance Division.
Much of the support staff possess many years of experience in the organisation.

The duties to be exercised by the subordinate staff have been clearly enunciated .

15.3.2 Conclusions

Although in the recent past the Finance Division has had on its staff more than one professionally qualified Accountant, it is apparent that there has been a depletion of executive staff, in the Finance division. It would be in the interest of the company to consider strengthening the executive staff, by providing an assistant to the Finance Manager with appropriate qualifications and experience.

15.4. FINANCIAL MANAGEMENT AND ACCOUNTING

15.4.1 Findings

CLPL prepares an annual budget for the operational activities. Sales targets are also prepared in this respect. The preparation of the budget is the responsibility of the Finance division. However it is necessary for the company to involve the other divisions such as production, marketing, maintenance, personnel in the preparation of their own divisional budgets. These divisional budgets would be reviewed and if necessary revised prior to incorporation of the Operational Budget, which would give the financial implications of the activities to be carried out by the company, in the ensuing year.

Once the Annual Budget is adopted the company uses it as a benchmark to assess its financial performance.

The financial systems adopted by the company cover the accounting of the following aspects :

1. Receipts and Banking
2. Invoicing
3. Payments by cheque

4. Preparation and payment of wages
5. Preparation and payment of salaries
6. Purchase Accounting of imports and local purchases
7. Administration of Petty cash
8. Fixed Asset accounting
9. General accounting and Book keeping

The routine supervisory functions are handled by the Finance Manager and the Accounts Assistant. We found that the financial records and accounts were up to date and basic accounting records are maintained to enable controls to be effected. Certain reconciliation's such as Bank reconciliation's and Debtors are carried out promptly on a monthly basis. At the time of review the accounts for the financial year 1995/96 were being scrutinised by the external auditors.

The computerisation process covers only the payroll, i.e. wages and salaries preparation. The company is in the process of computerising the other areas.

As regards Accounting information, the company prepares the following :

1. Cash flow - Projections are prepared monthly. Weekly/monthly monitoring is carried out.

2. Profit and Loss account - Prepared monthly indicating profitability of the Tannery , Leather goods factory and Shoe factory.
   The actual performance is compared with the budget and variances arrived at.
3. Debtors - Weekly age analysis statement is prepared.
4. Balance Sheet - Monthly statement is prepared along with the Profit and Loss account. Detailed schedules are available of the major items. These include the breakdown of stocks and creditors.

The Fund Management activity is the responsibility of the Finance division. This is carried out with the assistance of the accounting information generated. Monitoring is done on a daily, weekly and monthly review of inflows and outflows. In this respect a `priority payments schedule' is prepared.

Much of the funds are blocked in Trade Debtors. Granting of credit is a matter of policy, taking into consideration the attraction of such credit facilities to existing and potential

clients. Such sales are mainly to the armed forces with the major proportion being to the army , for whom the company supplies boots. Recoveries from the armed services have proved to be a difficult task with the invariable formalities and delays in payment.

As regards payments, the main areas of expenditure which need to be closely monitored relate to raw materials as the shortfall of supplies could result in production being affected adversely. Payment of wages and salaries also take priority along with the settlement of interest due and loan outstanding.

Regular meetings are held with the Chairman presiding to review the financial performance of the organisation. The accounting information such as profitability statements, cash flow, debtors outstanding and other financial matters are taken up for concentration at this meeting. Besides these meetings there are management committee meetings attended by the line managers. These meetings are also presided by the Chairman and deal with long term plans.

15.4.2 Conclusions

The company has an established framework for the different procedures and functions of financial management. It is necessary to review such procedures periodically and possibly effect refinements. This function could be performed by the Internal Audit. Therefore in our opinion, no basic changes are required to be effected in this area.

15.5 COSTING OF PRODUCTS

15.5.1 DISCUSSION

CLPL has certain laid down procedures for Costing. Each item of product is costed on the basis of the materials, labour utilisation on a standard basis as specified by the Designs Department.

Detailed product specifications submitted to the Costing section enable computations as follows.

Materials - The type and quantities of raw materials are specified along with the design details. The cost of raw materials being available from the stores enables the calculation of the different material costs.

Labour - The production Planning section provides the Costing section with the requirements of manpower, categorised by grades and the man hours.

Overheads - are apportioned on the basis of man-hours required for production.

Factors such as waste, idle time and rejects are provided for.
The standard cost is computed on the information as available above on a Cost Sheet.

Monitoring of the actual performance and comparison with the actual cost is part of the procedure required to be followed.

15.5.2 CONCLUSIONS

Due to staffing shortfalls at times, strict adherence to procedures are not followed.

The company has now strengthened this aspect and hopes to implement the system under the Industrial Engineer.

15.6 RECOMMENDATIONS.

1. Improving the profitability of the organisation is a prime requirement. Attempts to improve profitability should be in the following directions:

    1. The turnover should be improved by marketing of products which bring in higher profit margins.

    2. CLPL should examine the possibility of trimming raw material costs. As the under utilisation of the Tannery is contributing towards this situation in some measure this problem should be addressed.

    3. Measures to develop products which whilst having a demand, could be more economical in terms of cost should be researched.

4. An in depth study should be carried out to examine ways and means of reducing the stock holding of Raw materials. If some reduction is achieved, a saving of finance costs would be possible.
5. The lending of funds to associate companies is also a factor which worsens the liquidity of the company. This should be avoided or in the alternative an interest charge at a reasonable rate should be levied.

2. The company has the basic framework for the application of a sound system of Costing. CLPL should endeavour to have proper qualified staff to implement such a system. Such a system would be an extremely useful tool for the improvement of profitability by facilitating the determination of prices.

3. In the light of the heavy liabilities consisting of loans and dues to Government, CLPL should make an appraisal of the Capital structure. The infusion of non interest bearing funds is imperative for progress.
These funds could be in the form of Ordinary or Preference shares. If the present shareholders are averse to the entry of outside parties, the possibility of attracting Ordinary shareholders with limited voting rights is a possibility which could be explored.

Therefore a re-structuring exercise of the company is a prime requirement.

❑

16.0 EXTRACT OF RECOMMENDATIONS

16.1 RECOMMENDATIONS FROM THE GENERAL REVIEW

ORGANISATION

1. Considering the diversity of the products produced in three production units and the market characteristics of these its best to mange the operations of these three units separately.

   The present organisational structure does not give the independence needed by these units to become competitive, market oriented and realistically evaluate their performance from a commercial view point.

   We recommend the following action which will give these units the desired independence.

   i. Appoint separate Chief Executive Officers for the three production units.

   ii. Bring the marketing function, accounting and finance management function, important elements of the purchasing function and the product development function of each of these factories under the proposed executive positions.

2. Reorganise the marketing organisation to accommodate the impact of appointing executive officers with marketing responsibility to the production units. In the very short run reorganise to accommodate the key vacant positions.

MANUAL SKILLS, WORK METHODS AND WORK CULTURE

3. Establish a practically oriented work study / industrial engineering unit with adequate staff to study work methods and recommend improvements which can be carried out with capital expenditure with playback periods of less than one year.

4. Take steps to dismantle the current rigidities in skills which would give greater flexibility in allocating tasks to labour.

5. Embark on a programme to increase the managers awareness to changes that are required to survive in a competitive private sector environment and clearly define the roles of the senior and middle level managers which are required to achieve the organisational objectives.

PRODUCTS

6. The shoe factory should diversify their products to the consumer and export markets by breaking away from the present practice of serving the needs of the forces and the government.
7. In order to capture a share of the turnover of other shoe manufacturers the footwear factory should explore the feasibility of selling parts to these manufacturers
8. Immediate steps should be taken to make the product design function in the footwear factory more fashion conscious.
9. The leather products factory at Ekala should concentrate to develop regular lines of exports in addition to the present concentration of supplying the needs of the Sri Lankan Government sector which includes the forces.

MARKETING

10. To improve short run sales of leather shoes, the company should embark on a campaign aimed at creating a "luxury consciousness" of leather shoes produced by the company.
11. The sales staff of the shoe and finished product outlets should be trained in salesmanship. They should be given more knowledgeable about the products they are selling.
12. Each of the company owned outlets must be given specific sales targets to be achieved and these targets should be based on the break-even sales and reasonable profits from these outlets. If these targets cannot be achieved and improved steps should be taken to close the unprofitable outlets.
13. The companies sales outlets should have a stocking policy reflective of their market.
14. The company should review the position regarding the dealerships and distribution in the light of their future marketing strategy.
15. Attention should be to improve the point of sales advertising of the companies products both in the own outlets and the dealers outlets.

LAYOUT , SPACE UTILISATION AND MATERIAL HANDLING

16. The company should take steps to identify and lease the spare building space in both the Mattakuliya factories and the spare land in the tannery to generate an additional income which we believe could exceed Rs. 5,00,000/= per month.

17. When making little changes to the layouts to release spare space opportunities for cost savings to be achieved by improving the martial handling function should be considered.

LONG TERM STRATEGY

18. Age analysis of the machinery indicate that 66% of the machinery in the tannery and 70% of the machinery in the footwear factory are over 25 years old.

A high capital will be required to update the technology in the footwear section. Updating the technology and increasing the dealership performance will be essential if the company is to secure a significant part of the consumer market in shoes.

At present the leather goods section is mainly manual skill based and not very capital intensive. Performance of this section could be increased by removing the practices which result in skill rigidities and concentrating on the marketing effort.

Tannery products of this company already has a significant part of the Sri Lanka market.

Considering this overall situation we recommend that the long term strategy of this company should be to increase its performance and profitability by:

i. Increasing the capacity of the leather goods factory.

ii. Ensure the market share dominance of the tannery products.

16.2 RECOMMENDATIONS FROM THE FINANCIAL REVIEW

1. Improving the profitability of the organisation is a prime requirement. Attempts to improve profitability should be in the following directions:

   1. The turnover should be improved by marketing of products which bring in higher profit margins.

2. CLPL should examine the possibility of trimming raw material costs. As the under utilisation of the Tannery is contributing towards this situation in some measure this problem should be addressed.

3. Measures to develop products which whilst having a demand, could be more economical in terms of cost should be researched.

4. An in depth study should be carried out to examine ways and means of reducing the stock holding of Raw materials. If some reduction is achieved, a saving of finance costs would be possible.
The lending of funds to associate companies is also a factor which worsens the liquidity of the company. This should be avoided or in the alternative an interest charge at a reasonable rate should be levied.

2. The company has the basic framework for the application of a sound system of Costing. CLPL should endeavour to have proper qualified staff to implement such a system. Such a system would be an extremely useful tool for the improvement of profitability by facilitating the determination of prices.

3. In the light of the heavy liabilities consisting of loans and dues to Government, CLPL should make an appraisal of the Capital structure. The infusion of non interest bearing funds is imperative for progress.
These funds could be in the form of Ordinary or Preference shares. If the present shareholders are averse to the entry of outside parties, the possibility of attracting Ordinary shareholders with limited voting rights is a possibility which could be explored.

Therefore a re-structuring exercise of the company is a prime requirement.

ANNEX I

PRODUCTS AND PRICES

MAS

PRICE LIST
(PURCHASE SHOES)
EFFECTIVE 01-08-96

95/96

DESIGN (Ladies)	RETAIL PRICE	DESIGN	R/PRICE
Shamila II	Rs.124/90	Rekha	299/90
Flora	259/90	Diana	269/90
Dilu	129/90	Maya	249/90
Shamila I	119/90	Wendy	329/90
Coreena	299/90	Murie	299/90
Tara	229/90	Michelle	319/90
Bindu	199/90	Ingried	339/90
Suja	229/90	Velori	149/90
Leather Comf.	349/90	Eurosha	249/90
Leena	174/90	Marie	299/90
Mali	129/90	Lili	349/90
Thauiri	199/90	Gay Girl	249/90
Lanka	179/90	Namalie	249/90
DI Jenny	129/90	Geetha	249/90
Asha	299/90	Thereesa	269/90
Shamila I	119/90	Vivi	349/90
Majira	249/90	Nelum	119/90
Contessa II	279/90	Luxmi III	150/-
Soniya II	200/-	Helan	99/90
Taniya	200/-	Imelda	319/90
Tulip	300/-	Dammi	239/90
Surangi	200/-	New Era Bk	300/-
Hemali	109/90	Chandi	200/-
Made in England	350/-	Surain	100/-
Olivia	469/90	Sujee	100/-
Marriot	199/90	Dolly	299/90
Amali	350/-	Thilaka I Bg	99/90
Claris	350/-	Thilaka II	119/90
Bunty	299/90	Thamara	199/90
DI Ladies	129/90	Edith	299/90
Doreen	269/90	Eva	279/90
Moreen	249/90	Ajantha	219/90
Manel	269/90	Soniya I	249/90
Manik	129/90	Fatima	229/90
Velsy	199/90		

Contd... 2.

MA

PRICE LIST
(PURCHASE SHOES)
EFFECTIVE 01-08-96

DESIGN	RETAIL PRICE	DESIGN	RETAIL PRICE
(Men's)			
Black Fog	1049/90	Californiya	125/-
Plastic Slipper	140/-	KPL 67	75/-
Rugged look	899/90	Luxman	100/-
831 Black	345/-	Rodger	1099/90
Fashion Lanka	259/90	Rajesh I	350/-
Torino	799/90	Rajesh II	350/-
Nawa Lanka	239/90	Diplomat	600/-
Ajith	439/90	Loafer	899/90
Kumar	199/90	Highland	899/90
SL Supper	239/90	Ambasador	600/-
Winner Black	399/90	Ronald	749/90
Winner Brown	340/-		
Thilak I	200/-		
Thilak II Br	200/-		
Lal	199/90		
PL 207	100/-		
Smart	899/90		
Asanka	170/-		
Rivo	250/-		
Dainty	100/-		
Ashok	250/-		
964	149/90		
Casino	1199/90		
London Fog I	1099/90		
London Fog II	1049/90		
Shadow I	160/-		
Shadow II	160/-		
Shadow III	299/90		
Shadow IV	160/-		
Pioneer	200/-		
Duke	899/90		
Special - 01	300/-		
Art 54	950/-		
Art 59	950/-		

PRICE LIST

(OWN PRODUCTION)

EFFECTIVE 01-08-96

FLEXIBLE

DESIGN	RETAIL PRICE
50 Tan	~~290/-~~, ~~300/-~~, ~~325/-~~ 310/- 320/- 345/-
50 Bk	~~290/-~~, ~~300/-~~, ~~325/-~~ 310/- 320/- 345/-
50 Wh	~~150/-~~ 120/-, ~~200/-~~ 160/-, ~~250/-~~ 200/-
423 New	899/90
730	300/-
Rider I	300/-
Rider II	300/-
Rider III	300/-
423 old	300/-
Duke	899/90

SLIPPERS & SANDALES

L/23	60/-
PTL (Old)	135/-
388	85/-
840	150/-
842	150/-
938	100/-
942	100/-
963	120/-
970	150/-
971	150/-
973	100/-
964	149/90
975	200/-

IMPORTED

743	400/-
744	400/-
745	400/-
1383	500/-
4347	499/-
Maya	200/-

IMS

DESIGN	RETAIL PRICE
PO 22 Bk/Rd	400
PO 14	479/90
PB 14	349/90
PB 31	~~235/-~~ 175.00
Leeza	160/-
Sporty	180/-
Lara Canvas	180/-
Lara II PVC	255/-
PB 34	~~200/-~~ 190.00
CO 1	100/-
PB 30	~~130/-~~ 175.00
PO 17	200/-
PO 18	200/-
PO 19	200/-
PO 20	200/-
Po 22 Wh.	599/-
PO 27	200/-
PO 28	200/-
PO 22 Wh/Bl	450/-
PO 24	200/-
PO 25	200/-
PO 27	200/-
PO 28	200/-
PO 22 BL	599/90
5170	299/90
5276	500/-
5279	500/-
5364	250/-
Rio	500/-
Kiss	300/-

	Friends I	299/90
95/96	Friends II	299/90
	Friends III	299/90
	Friends IV	250/-
	Clair	150/-
	CHILDREN	
95/96	Pium	249/90
	Way Finder	399/90
	D-52	260/-
	Shana	340/-
	School	250/-
	Sumudu	100/-
	DI Children Shoe	139/90

1/8/96

PRICE LIST
(OWN PRODUCTION)
EFFECTIVE 01-08-96

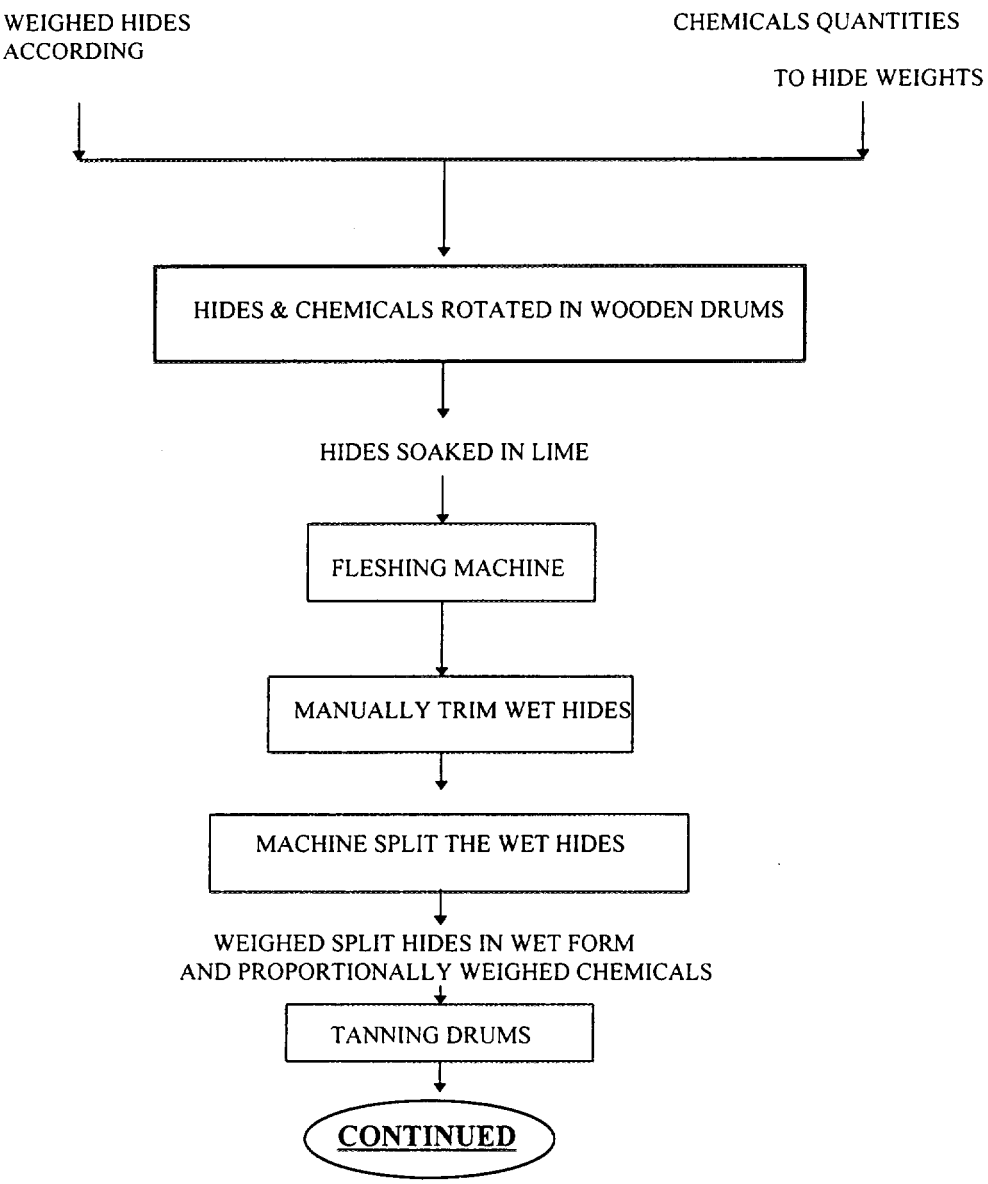
STUCK-ON

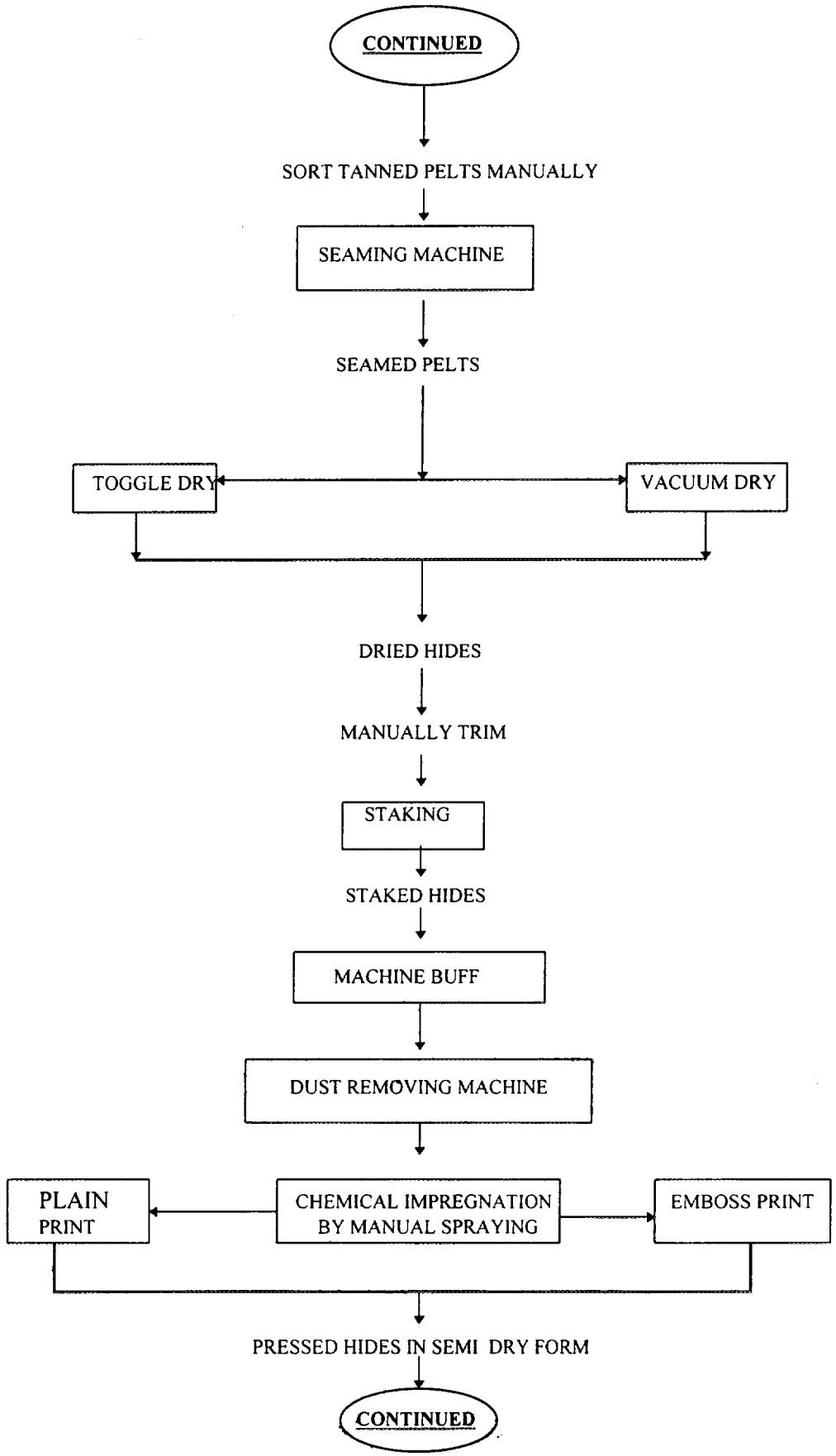
	DESIGN	RETAIL PRICE	DESIGN	RETAIL PRICE
90	* 481	525/-	S 1	850/-
	481 Su.	290/-	S 2	790/-
N.P	482	400/-	S 4	300/-
N.P	488	300/-	S 5	760/-
	~~489 Black~~	~~390/-~~	S 6	840/-
NP	489 Shaded+Plain	350/-	20 S	1350/-
NP	Popular Black	400/-	59 White	399/-
NP	491	300/-	59 R	710/-
	~~492~~	~~300/-~~	59 OX	710/-
	492 Su.	200/-	60	835/-
	496	450	63	770/-
	502	390/-	140	150/-
88	* 510	590/-	142	150/-
	~~520~~	600/-	241 R	300/-
	507	590	241 L	600/-
	524	600/-	249	575/-
96	611	699/90	424	450/-
96	614	799/90	442	740/-
	615	629/90	450	190/-
	616	999/90	143	190/-
	617	649/90	457	190/-
NP	733	200/-	458	190/-
65	795 Bk	400/-	467	300/-
	795 B/R	400/-	471	190/-
	795 Su.	400/-	472 Bk	570/-
	795 R Bk	849/90	472 C/B	300/-
	795 R B/R	899/90	472 S	400/-
	831	345/-	473	400/-
	FB 01	550/-	476	350/-
	Best Style	630/-	477	300/-
	Euro style	700/-	402	100/-
	Major	690/-	GDS 02	600/-
	Rambo	450/-	459 Tan	650/-
96	620	829/-	612	799/90
	143	190/-	493	600/-
NP	* 481 Ch/Br	350/-	625	649/-
NP	* 510 Ch/Br	490/-		
	795 [illegible]	649 90		

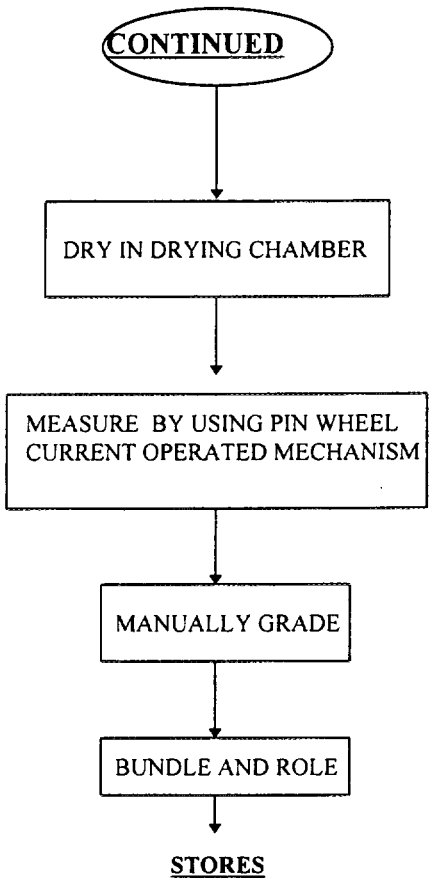
ANNEX II

OUTLINE OF TANNERY

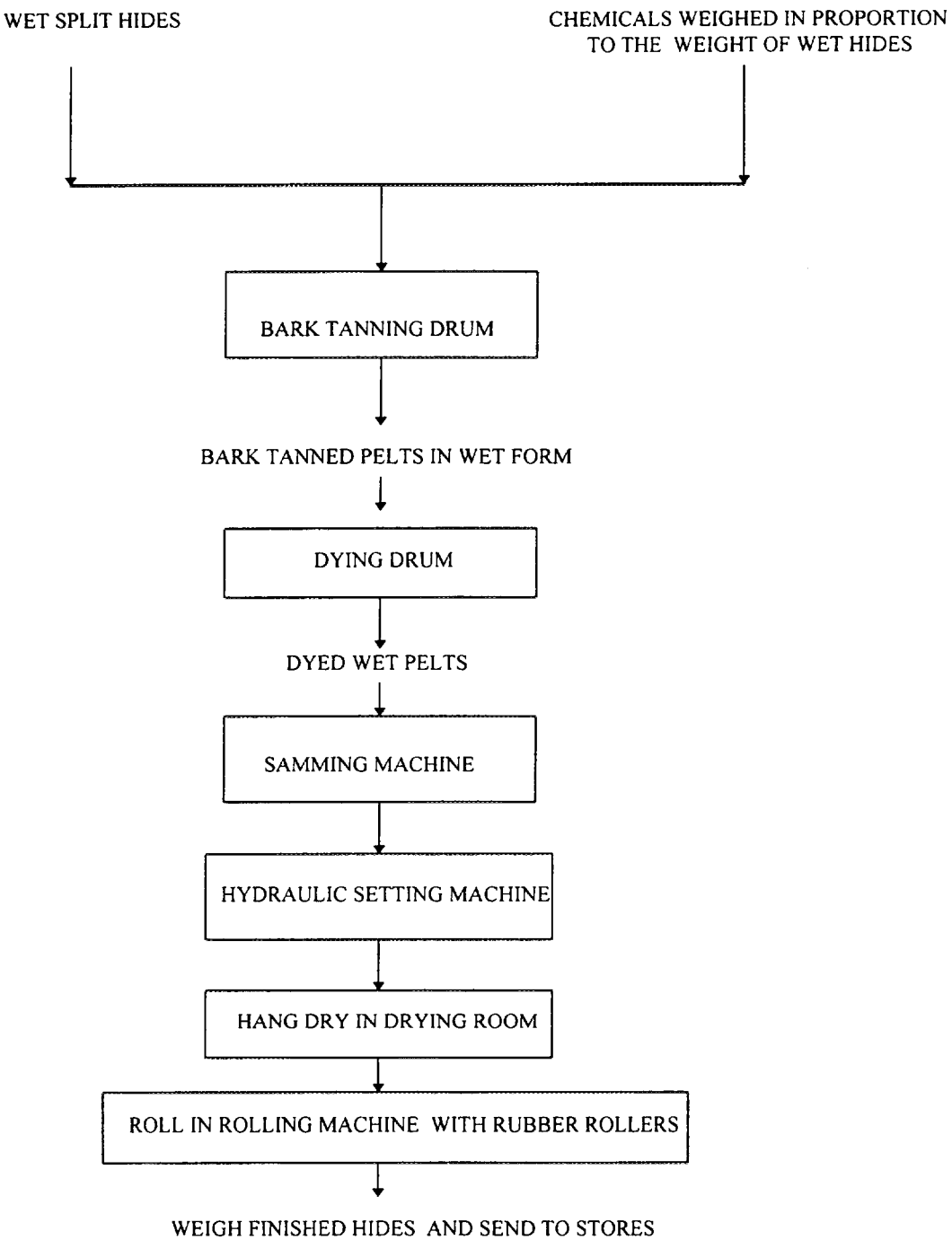
PRODUCTION PROCESSES


WEIGHED HIDES ACCORDING
CHEMICALS QUANTITIES
TO HIDE WEIGHTS
HIDES & CHEMICALS ROTATED IN WOODEN DRUMS
HIDES SOAKED IN LIME
FLESHING MACHINE
MANUALLY TRIM WET HIDES
MACHINE SPLIT THE WET HIDES
WEIGHED SPLIT HIDES IN WET FORM AND PROPORTIONALLY WEIGHED CHEMICALS
TANNING DRUMS
CONTINUED


CONTINUED
SORT TANNED PELTS MANUALLY
SEAMING MACHINE
SEAMED PELTS
TOGGLE DRY
VACUUM DRY
DRIED HIDES
MANUALLY TRIM
STAKING
STAKED HIDES
MACHINE BUFF
DUST REMOVING MACHINE
PLAIN PRINT
CHEMICAL IMPREGNATION BY MANUAL SPRAYING
EMBOSS PRINT
PRESSED HIDES IN SEMI DRY FORM
CONTINUED

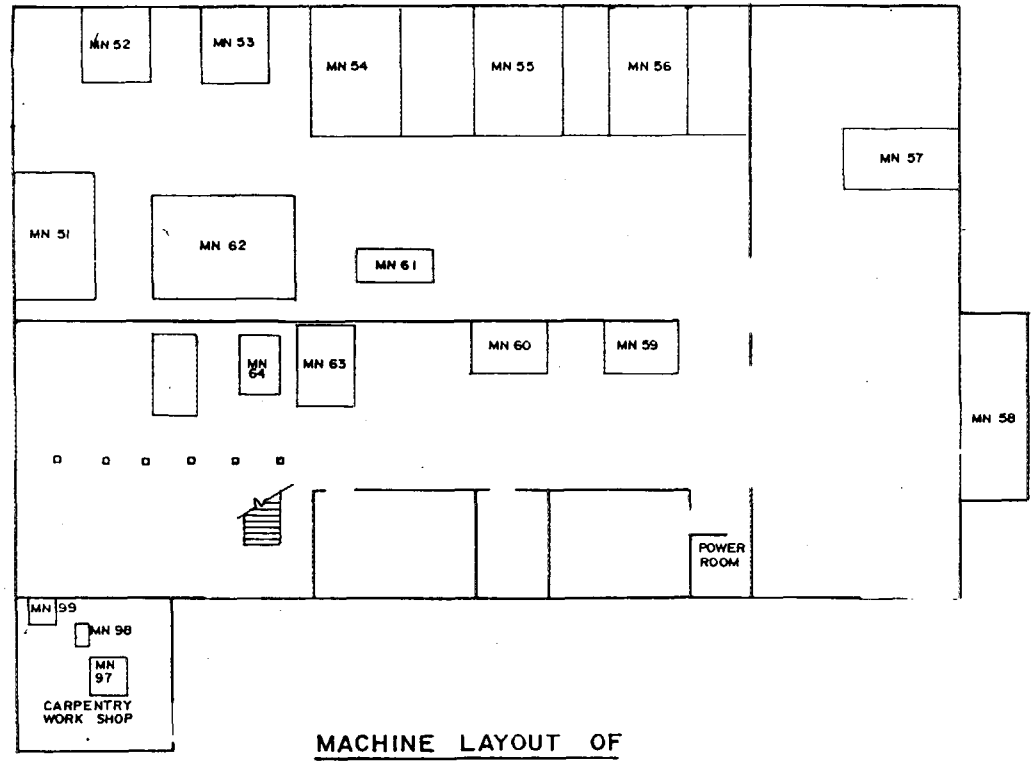

CONTINUED
DRY IN DRYING CHAMBER
MEASURE BY USING PIN WHEEL CURRENT OPERATED MECHANISM
MANUALLY GRADE
BUNDLE AND ROLE
STORES

The outline of the bark tanning process is as follows:

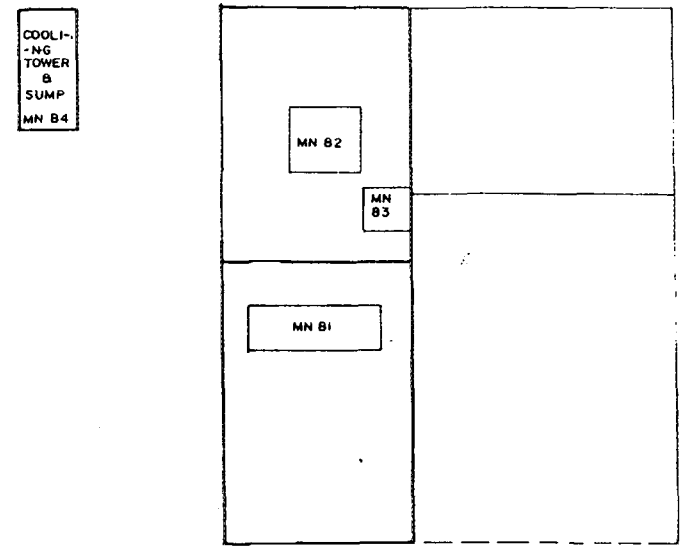


ANNEX III.

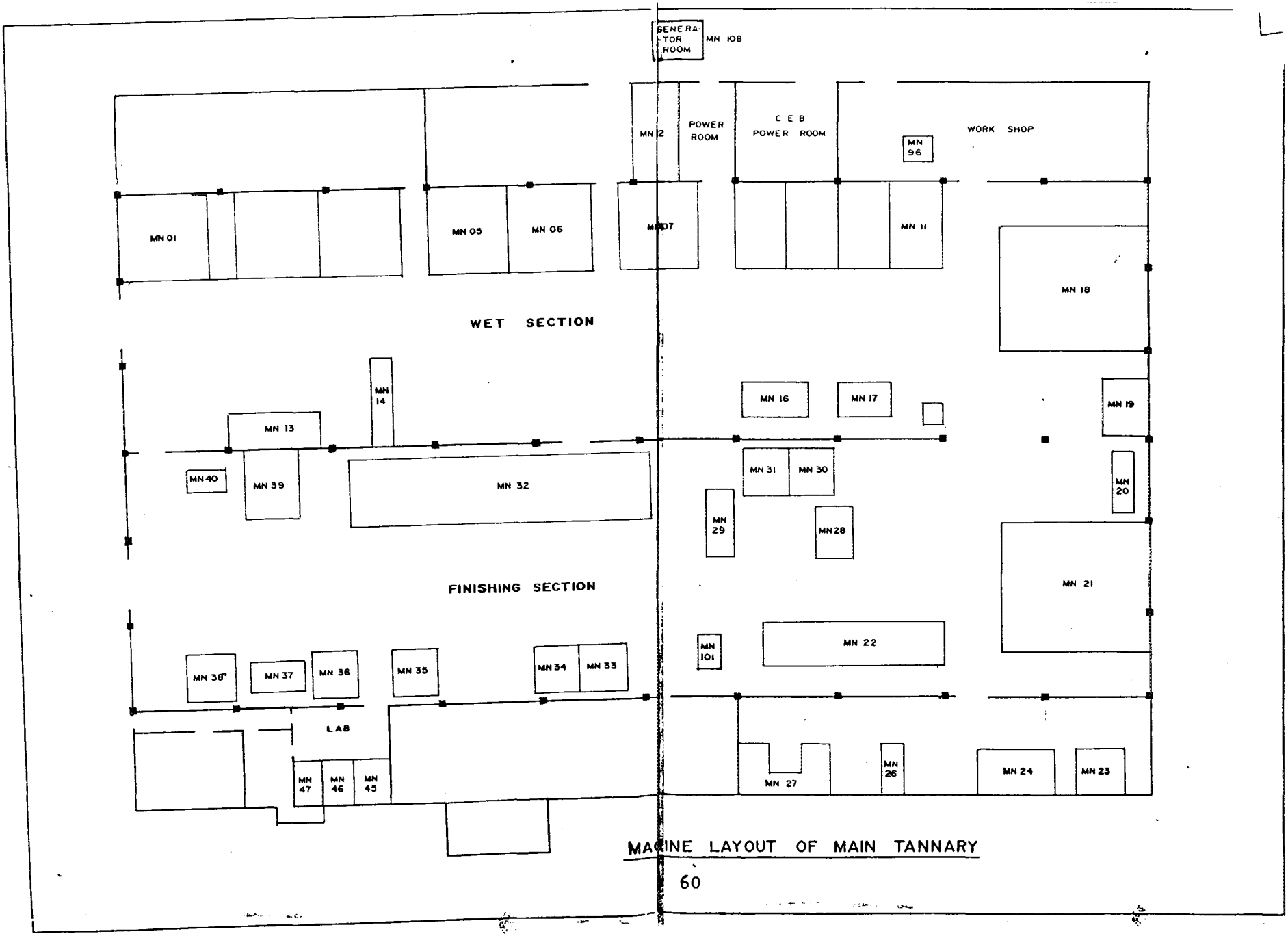
MACHINE LAYOUT OF THE TANNERY



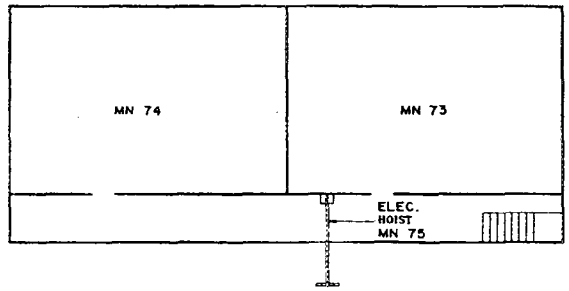
MACHINE LAYOUT OF SKIN TANNARY



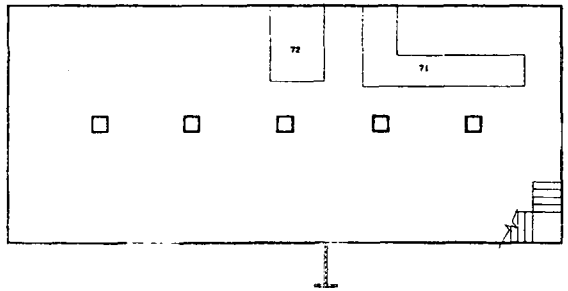
MACHINE LAYOUT OF RUBBER PLANT



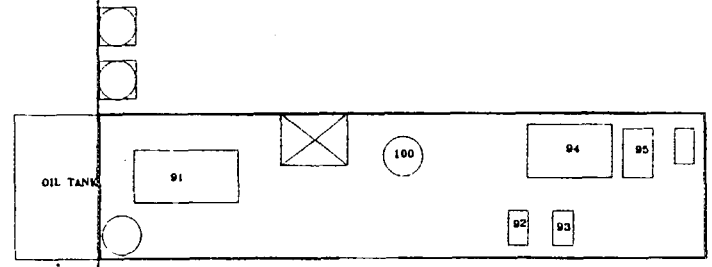
MACHINE LAYOUT OF MAIN TANNARY



MACHINE LAYOUT OF SLICKERINGY YARD
UPPER FLOOR



MACHINE LAYOUT OF SLICKERINGY YARD
GROUND FLOOR



MACHINE LAYOUT OF BOILER ROOM

ANNEX IV.

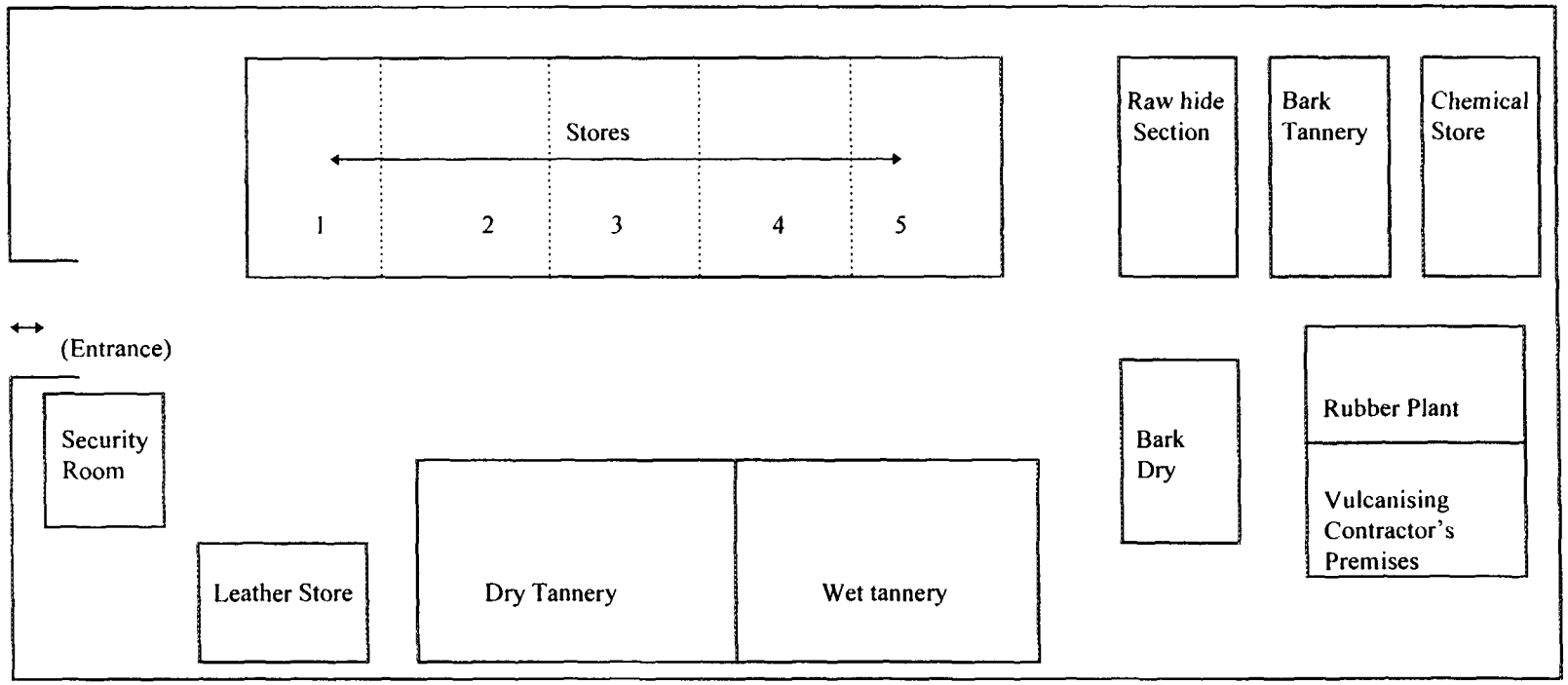
THE LOCATION OF FACILITIES IN TANNERY AND FOOTWEAR PREMISES

ANNEX IV.

TANNERY SIGHT

FACILITIES LOCATION

(NOT TO SCALE)



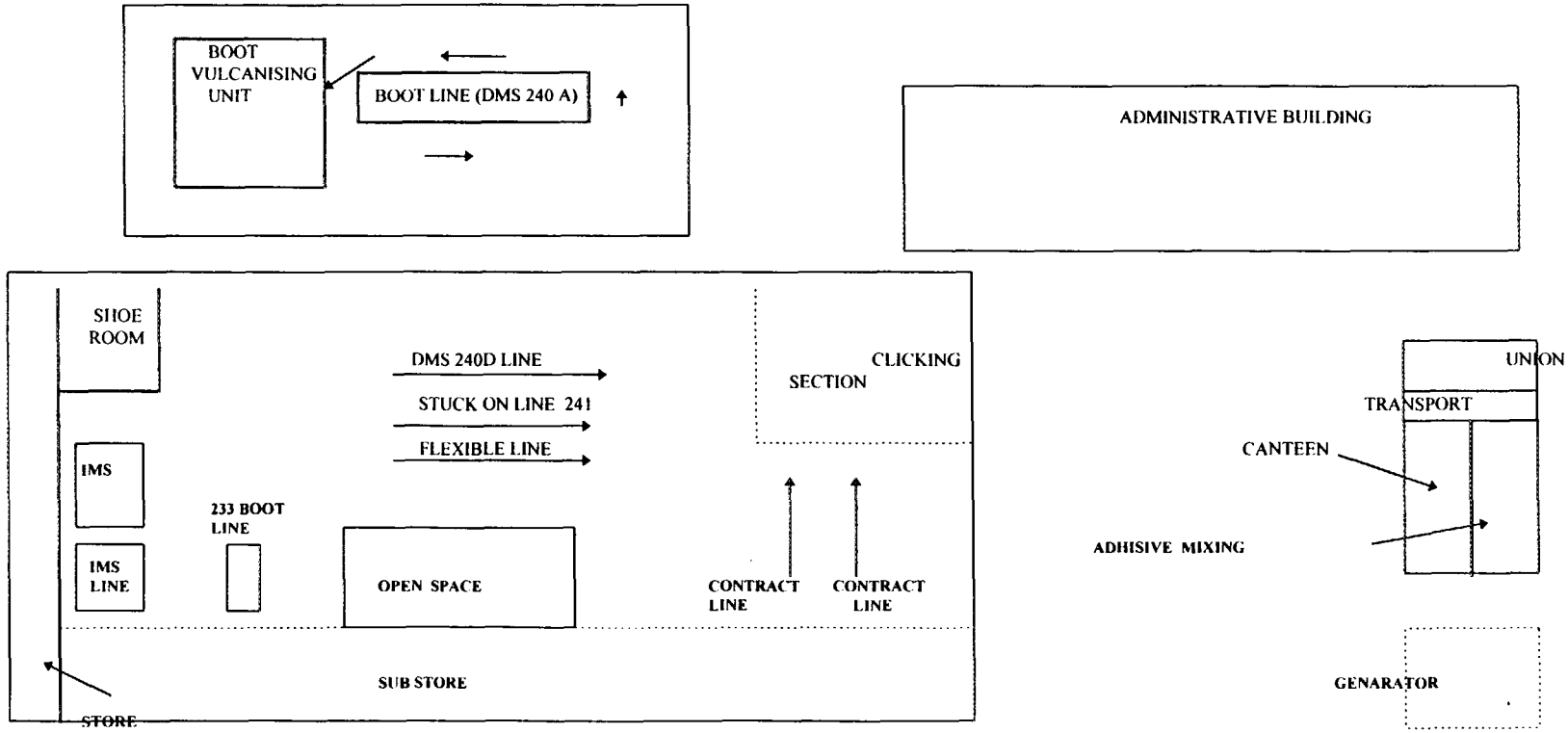
ANNEX V.

OUTLINE OF THE FOOTWEAR FACTORY PREMISES LAYOUT

ANNEX V

AN OUTLINE OF THE FOOTWEAR FACTORY PREMISES LAYOUT

(not to scale)



ANNEX VI.
A list of main items of machinery available in the tannery and the footwear factory

SHOE FACTORY

S1

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UNIDO PROJECT No. SI/SRL/96/801 - RESTRUCTURING ASSISTANCE AND PRODUCTIVITY SURVEY

NATIONAL INSTITUTE OF BUSINESS MANAGEMENT

LIST OF PLANT & MACHINERY

Description of Machine	Machine Specifications	Location	Country of Origin	Year of Manufacture	Year of Acquisition	Estimated Capacity Utilisation (%)	Approximate Replacement Cost
Insole Tacking	Model 363 M	DMS	Denmark				
Mulling Chamber	Make - BUSM	DMS	UK.				
Pulling & Lasting	Model - Agil 830	DMS	Italy				
Seat Lasting	Model 1224	DMS	Germany		1967		
Pounding Up	Model 434 EL	DMS	Denmark		1964		
Scouring		DMS	Denmark				
Side Lasting	Model 463 S	DMS	Italy				
UpperRoughing	Make - BUSM	DMS	Czech				
Upper Roughing	Model 4152 / P1	DMS	Czech				
Last Removing	Model 481	DMS	Denmark				
Heel Attaching	Model 1355 /Moenus	DMS	Germany		1966		
Vulcanising Press	Model - MK vi	DMS	U.K.				
- Do -	- Do-	DMS	U.K.				1
Pre Heater Cabinet	Make- CIC Ralphs	DMS	U.K.				

Page No. 01 Of 12 Pages

S2

CONFIDENTIAL

UNIDO PROJECT No. SI/SRL/96/801 - RESTRUCTURING ASSISTANCE AND PRODUCTIVITY SURVEY

NATIONAL INSTITUTE OF BUSINESS MANAGEMENT

LIST OF PLANT & MACHINERY

Description of Machine	Machine Specifications	Location	Country of Origin	Year of Manufacture	Year of Acquisition	Estimated Capacity Utilisation (%)	Approximate Replacement Cost
Vulcanising Press	Model MK vi	DMS	U.K.	£988	1980		Rs.1200,000 /=
Pressure Unit	Model 408/6	DMS	U.K.	1978	1980		Rs. 900,000 /=
Vulcanising Press	Model MK vi	DMS	U.K.	1978	1980		Rs. 1200,000 /=
Pre Heater Cabinet	Make - BUSM	DMS	U.K.	1978	1980		Rs. 600,000 /=
Vulcanising Press	Model MK vi	DMS	U.K.	1978	1980		Rs. 1200,000 /=
Conveyor with Racks	Model 17480 / P2	DMS	Czech	1978	1990		Rs. 1000,000 /=
Air Compressor	Make - Ingersollrand	DMS	United States	1978	1980		Rs. 1200,000 /=
Scouring	Model 342 /Vilh Pederson	DMS	Denmark	1960			Rs. 150,000 /=
Spray Booth	Model SPR / BUSM	DMS	U.K.	1960			Rs. 400,000 /=
Hot Air Blower		DMS	Czech				
Insole Tacking	Model 4054 / p1	Stuckon	Czech				
Mulling Chamber		Stuckon	Italy		1994		
Pulling & Lasting	Model 2200 / p1	Stuckon	Czech				
Seat Lasting	Model 1224	Stuckon	Germany				
Pounding Up	Model 434 EL		Denmark		1968		

Page No. 02 Of 12 Pages

CONFIDENTIAL

UNIDO PROJECT No. SI/SRL/96/801 - RESTRUCTURING ASSISTANCE AND PRODUCTIVITY SURVEY

NATIONAL INSTITUTE OF BUSINESS MANAGEMENT

LIST OF PLANT & MACHINERY

Description of Machine	Machine Specifications	Location	Country of Origin	Year of Manufacture	Year of Acquisition	Estimated Capacity Utilisation (%)	Approximate Replacement Cost
Seat Moulding	Model 1332	Stuckon	Germany		1967		
Heat Setting	Model - Seies 3	- Do -	UK				
Scouring	Model 448	- Do -	Denmark		1965		
Roughing	Model 4313 / p3	- Do -	Czech		1980		
Unit Sole Roughing							
-Do-							
Sole Press	Model 200	- Do -	UK				
Sole Press	Model 800	- Do -	UK		1967		
Last Removing	Model 4474	- Do -	Germany		1963		
Sole Sewing	Model 3012 /P2	- Do -	Czech				
Out Sole Stitching	Model 3028 / P1	- Do -	Czech				
Heel Attaching	Model 4386	- Do -	Dermany				
Heel Paring	Model 1351	- Do -	Germany				
Heel Trimming	Model 4105 / p5	- Do -	Czech				
Heel Triming	- Do -	- Do -	- Do -				

Page No. 03 Of 12 Pages

CONFIDENTIAL

UNIDO PROJECT No. SI/SRL/96/801 - RESTRUCTURING ASSISTANCE AND PRODUCTIVITY SURVEY

NATIONAL INSTITUTE OF BUSINESS MANAGEMENT

LIST OF PLANT & MACHINERY

Description of Machine	Machine Specifications	Location	Country of Origin	Year of Manufacture	Year of Acquisition	Estimated Capacity Utilisation (%)	Approximate Replacement Cost
Heel Scouring	Model 342 SMO	Stuckon	Denmark		1968		
Polishing	Model 160 SFM	Stuckon	Denmark		1967		
Edge Setting	Model 4207 / p4	- Do -	Svit		1967		
Polishing	Model 160 SFM	- Do -	Denmark		1967		
Hot Air Blower							
Spray Booth	Model SFR /BUSM	- Do -	UK				
Spray Gun	Model - Asturo	- Do -	Italy				Rs.1500 /=
Spray Gun	- Do -	- Do -	- Do -				Rs. 1500 /=
Wheel Marking	Model 4167 / P2	- Do -	Czech		1963		
Heavy Duty Skiving	Model 100 /BUSM	- Do -	UK				
Strap Cutting	Model	- Do -	Denmark				
Toe Flanging	Model 2043 /P2	Flexible	Czech	1960			
Seat Flanging	Model 1001	- Do -	UK		1985		
Middle Tacking	Model 1030 N/ Moenus	- Do -	Germany				
Toe Lasting	Model Simun F328	- Do -	UK				

Page No. 04 Of 12 Pages

CONFIDENTIAL

UNIDO PROJECT No. SI/SRL/96/801 - RESTRUCTURING ASSISTANCE AND PRODUCTIVITY SURVEY

NATIONAL INSTITUTE OF BUSINESS MANAGEMENT

LIST OF PLANT & MACHINERY

Description of Machine	Machine Specifications	Location	Country of Origin	Year of Manufacture	Year of Acquisition	Estimated Capacity Utilisation (%)	Approximate Replacement Cost
Rough Rounding	Model FOHN / 1002	Flexible	UK				
Out Sole Stitching	Model 3028 / Svit	- Do -	Czech				Rs.2000,000 /=
Bobin Winder	Model 4077 / P4	- Do -	- Do -		1963		
Sole Press	Model 200 /BUSM	- Do -	UK				
Edge Trimming	Model 375 NSM	- Do -	Denmark				
Sole Scouring	Model 357	- Do -	- Do -				
Polishing	Model 160 SFM	- Do -	- Do -				
Slot Cutting							
Air Compressor	Model LE 9 E / Atlas Copco	- Do -	Belgium		1967		Rs.1200,000 /=
Eyeleting	Model - Epoach	Upper Closing	UK				Rs.400,000 /=
Sewing	Model 593 / Pfaff	- Do -	Germany		1982		Rs.500,000 /=
Post Bed Sewing	- Do -	- Do -	- Do -		1981		- Do -
- Do -	- Do -	- Do -	- Do -		1980		- Do -
- Do -	- Do -	- Do -	- Do -		1983		- Do -
- Do -	- Do -	- Do -	- Do -		1963		- Do -

PULLING AND LASTING MC ?

NIBM - 120/5 WIJERAMA MAWATHA, COLOMBO 7 - PHONE 692272 / 693404 / 692272 - FAX 693403

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NATIONAL INSTITUTE OF BUSINESS MANAGEMENT

LIST OF PLANT & MACHINERY

Description of Machine	Machine Specifications	Location	Country of Origin	Year of Manufacture	Year of Acquisition	Estimated Capacity Utilisation (%)	Approximate Replacement Cost
Post Bed Sewing	Model 491 / Pfaff	Upper Closing	Germany				Rs.400,000 /=
Flat Bed Sewing	Model 463 / Pfaff	- Do -	- Do -				Rs.150.000 /=
- Do-	Model 141 / Pfaff	- Do -	- Do -		1967		Rs. 150,000 /=
- Do -	Model 144 / Pfaff	- Do -	- Do -				Rs. 150,000 /=
- Do -	Model 463 / Pfaff	- Do -	- Do -				Rs. 150,000 /=
- Do -	- Do -	- Do -	- Do -				Rs. 150,000 /=
Post Bed Sewing	Model 521 - 4 / Minerva	- Do -	Czech		1969		Rs. 200,000 /=
- Do -	- Do -	- Do -	- Do -		1967		Rs. 200,000 /=
Flat Bed Sewing	Model 1192 / Minerva	- Do -	- Do -		1965		Rs.150,000 /=
Under Trimming	Model 1090 / Minerva	- Do -	- Do -		1965		Rs. 250,000 /=
- Do -	- Do -	- Do -	- Do -		1967		Rs.250,000 /=
Zig - Zag	Model 332-3/ Minerva	- Do -	Czech		1964		Rs.150,000 /=
Post Bed Double Needle	Model 1171 / Minerva	- Do -	- Do -		1963		Rs. 400,000 /=
Flat Bed Sewing	Model 191/ Singer	- Do -	Japan				Rs. 40,000 /=
- Do -	- Do -	- Do -	- Do-				Rs. 40,000 /=

Page No. 06 Of 12 Pages

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CONFIDENTIAL

UNIDO PROJECT No. SI/SRL/96/801 - RESTRUCTURING ASSISTANCE AND PRODUCTIVITY SURVEY

NATIONAL INSTITUTE OF BUSINESS MANAGEMENT

LIST OF PLANT & MACHINERY

Description of Machine	Machine Specifications	Location	Country of Origin	Year of Manufacture	Year of Acquisition	Estimated Capacity Utilisation (%)	Approximate Replacement Cost
Flat Bed sewing	Model 191 / Singer	Upper Closing	Japan				Rs.40,000 /=
Binding	Model 108 / Singer	- Do -	Japan		1967		Rs. 100,000 /=
Folding	Model J	- Do -	UK				
Skiving	Model MA 12	- Do -	UK		1985		Rs.2000000/=
- Do -	- Do -	- Do -	UK		1985		Rs.200,000 /=
- Do -	- Do -	- Do -	UK		1985		Rs,200,000 /=
Three Needle Sewing	Model Puritan	- Do -	USA				Rs. 600,000 /=
Zig - Zag	Model - 138 / Pfaff	- Do -	Germany				Rs. 350,000 /=
Folding	Model Sagitta	- Do -	Italy				
Post Bed Sewing	Model 491 / Pfaff	- Do -	Germany		1981		Rs. 400,000 /=
- Do -	- Do-	-Do -	- Do -				Rs. 400,000 /=
- Do -	- Do -	- Do -	- Do -				Rs.400.000 /=
- Do -	- Do -	- Do -	- Do -				Rs. 400,000 /=
- Do -	- Do -	- Do -	- Do -				Rs. 400 ,000 /=
- Do -	- Do -	- Do -	- Do -				Rs.400,000 /=

Page No. 07 Of 12 Pages

CONFIDENTIAL

UNIDO PROJECT No. SI/SRL/96/801 - RESTRUCTURING ASSISTANCE AND PRODUCTIVITY SURVEY

NATIONAL INSTITUTE OF BUSINESS MANAGEMENT

LIST OF PLANT & MACHINERY

Description of Machine	Machine Specifications	Location	Country of Origin	Year of Manufacture	Year of Acquisition	Estimated Capacity Utilisation (%)	Approximate Replacement Cost
Post Bed Sewing	Model 491 /Pfaff	Upper Closing	Germany				Rs.400,000 /=
- Do -	- Do -	- Do -	- Do -				Rs.400,000 /=
Flat Bed Sewing	Model 463 / Pfaff	- Do -	- Do -				Rs.150,000 /=
- Do -	-Do -	- Do -	- Do -				Rs.150,000 /=
- Do -	- Do -	- Do -	- Do -				Rs.150,000 /=
Post Bed Sewing	Model 1090 /Minerva	- Do -	Czech				Rs.200,000 /=
Zig - Zag	Model 332-3 / Minerva	- Do -	Czech				Rs. 200,000 /=
Overlock	Model 141 / Strobell	- Do -	Germany				
Eyeleting	Model - Primier	- Do -	UK				Rs.400,000 /=
Seam Rubbing	Model 1168 / P2	- Do -	Czech				
Skiwing	Model MA - 12	- Do -	UK				Rs.200,000 /=
Injection Moulding	Model VP 35	- Do -	Italy				
Compressor							
Eyeleting	Model 1337 / p2	Upper Closing	Czech				Rs. 450,000 /=
Under Trimming	Model 1090	- Do -	- Do -				

Page No. 08 Of 12 Pages

S 9

CONFIDENTIAL

UNIDO PROJECT No. SI/SRL/96/801 - RESTRUCTURING ASSISTANCE AND PRODUCTIVITY SURVEY

NATIONAL INSTITUTE OF BUSINESS MANAGEMENT

LIST OF PLANT & MACHINERY

Description of Machine	Machine Specifications	Location	Country of Origin	Year of Manufacture	Year of Acquisition	Estimated Capacity Utilisation (%)	Approximate Replacement Cost
Flat Bed Sewing	Model 191 / SINGER	Upper Closing	Japan				RS. 40,000 /=
- Do -	Model 144 / PFAFF	- Do -	Germany				Rs. 150,000 /=
- Do -	Model 141 / PFAFF	- Do -	- DO -				- Do -
Skiving	Model MA - 12	- Do -	UK				Rs. 200,000 /=
Flat Bed Sewing	Model 191 / Singer	- Do -	Japan				Rs.40,000 /=
- Do -	Model 463 / Pfaff	- Do -	Germany				Rs. 150,000/=
Post Bed Sewing	Model 191 /Pfaff	- Do -	- Do -				Rs. 200,000 /=
- Do -	Model 1090 / Minerva	- Do -	Czech				Rs. 250,000 /=
Eyeleting	Model 1058 / Svit	- Do -	Czech	1959			Rs. 200,000 /=
Post Bed Sewing	Model 521-4 / Minerva	- Do -	Czech				Rs 200,000 /=
- Do -	Model 191 / Pfaff	- Do -	Germany				Rs.200,000 /=
Zig - Zag	Model 457 / Singer	- Do -	Japan				Rs. 100,000 /=
Flat Bed Sewing	Model 1153 / Minerva	- Do -	Czech				Rs. 100,000 /=
Perparating	Model 115	Upper Closing	Denmark				
Skiving	Model MA 12	- Do -	UK				Rs.200,000 /=

Page No. 09 Of 12 Pages

CONFIDENTIAL

UNIDO PROJECT No. SI/SRL/96/801 - RESTRUCTURING ASSISTANCE AND PRODUCTIVITY SURVEY

NATIONAL INSTITUTE OF BUSINESS MANAGEMENT

LIST OF PLANT & MACHINERY

Description of Machine	Machine Specifications	Location	Country of Origin	Year of Manufacture	Year of Acquisition	Estimated Capacity Utilisation (%)	Approximate Replacement Cost
Postb Bed Sewing	Model 323 / Minerva	Upper Closing	Czech				Rs.200,000 /=
Flat Bed Sewing	Model 1153 /Minerva	- Do -	- Do -				Rs.100,000 /=
ost Bed Sewing	Model 1090 / Minerva	- Do -	- Do -				Rs.250,000 /=
- Do -	- Do -	- Do -	- Do -				Rs. 250,000 /=
- Do -	- Do -	- Do -	- Do -				Rs. 250,000 /=
Binding	Model 335 / Pfaff	- Do -	Germany				Rs.300,000 /=
Mechanical Clicking	Model 6004	Component Preparation	Czech	1960			
- Do -	- Do -	-Do -	- Do -	1960			
- Do -	- Do -	- Do -	- Do -	1960			
- Do -	- Do -	- Do -	- Do -	1960			
- Do -	- Do -	- Do -	- Do -	1960			
Hydraulic Clicking	Model 1333	- Do -	Germany		1985		
- Do -	- Do -	- Do -	- Do -		1985		
- Do -	Model 6103 / P4	- Do -	Czech		1969		
- Do -	- Do -	- Do -	- Do -		1969		

Page No. 10 Of 12 Pages

CONFIDENTIAL

UNIDO PROJECT No. SI/SRL/96/801 - RESTRUCTURING ASSISTANCE AND PRODUCTIVITY SURVEY

NATIONAL INSTITUTE OF BUSINESS MANAGEMENT

LIST OF PLANT & MACHINERY

Description of Machine	Machine Specifications	Location	Country of Origin	Year of Manufacture	Year of Acquisition	Estimated Capacity Utilisation (%)	Approximate Replacement Cost
Hydraulic Clicking	Model GSB - 1	Component Preparation	UK				
- Do -	- Do -	-Do -	- Do -				
- Do -	- Do -	- Do -	- Do -				
- Do -	- Do -	- Do -	- Do -				
Travelling Head Clicking	Model 520 SP 2	- Do -	Italy				
Mechanical Clicking	Model 6005	- Do -	Czech	1960			
- Do -	Model 6005	- Do -	Czech	1960			
- Do -	- Do -	- Do -	- Do -	1960			
- Do -	- Do -	- Do -	- Do -	1960			
Insole Moulding	Model 5020 / P4	- Do -	Czech				
Sole Splitting	Model 264 A	- Do -	Denmark				
Insole Scouring	Model 4163 / p3	- Do -	Czech				
Cylindrical Buffing	Model 4127 / p 10	- Do -	Czech	1960			
Revolution Press	Model 7 FT	- Do -	UK				

Page No. 11 Of 12 Pages

CONFIDENTIAL

UNIDO PROJECT No. SI/SRL/96/801 - RESTRUCTURING ASSISTANCE AND PRODUCTIVITY SURVEY

NATIONAL INSTITUTE OF BUSINESS MANAGEMENT

LIST OF PLANT & MACHINERY

Description of Machine	Machine Specifications	Location	Country of Origin	Year of Manufacture	Year of Acquisition	Estimated Capacity Utilisation (%)	Approximate Replacement Cost
Numbering	Model 6089 / P2	Component Preparation	Czech	1958			
Perparating	Model 6045 / p1	- Do -	Czech	1960			
Embossing	Model 5054 / p2	- Do -	- Do -				
Heel Building	Model 146	- Do -	UK				
Heel Spliting	Model 11073 / P2	Component Preparation	Czech	1959			
Cylindrical Buffing	Model 4127 /P 10	Component Preparation	Czech	1960			
Heel Moulding	Model 8999/4	Component Preparation	Czech	1953			
Lathe							
- Do -							
Milling							
Drilling							
WelDing Plant		Work Shop					Rs.65,000 /=
Bending	Martin Miller	Work Shop	Austria				Rs.400,000/=
- Do *	Martin Miller	Work Shop	Austria				Rs.400,000 /=
Generator	Model - CAT 3406	Shoe Factory	USA				Rs.1300,000 /=

Page No. 12 Of 12 Pages

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CONFIDENTIAL

UNIDO PROJECT No. SI/SRL/96/801 - RESTRUCTURING ASSISTANCE AND PRODUCTIVITY SURVEY

NATIONAL INSTITUTE OF BUSINESS MANAGEMENT

LIST OF PLANT & MACHINERY

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1)	Soaking & Liming Drum	3500 x 3000 mm.	1	Czecheslovakia		1970	90	3
2)	-do-	-do-	5	-do-		1970	90	3
3)	Tanning Drum	3500 x 3000 mm.	6	-do-		1970	90	3
4)	Do-	3500 x 3300 mm.	7	Italy	1984	1984	95	3
5)	Dying Drum	2500 x 2000 mm.	11	Czechoslovakia		1970	30	2
6)	Fleshing M/C 07558	2200 x 1800 mm.	12	Italy	1984	1984	70	2
7)	Lime Splitting 07567 P2	L 2700 mm.	13	Czech		1981	70	4
8)	Turner Shaving M/C 642	L 2700 mm.	14	-do-		1981	70	5
9)	Moenus Turner Shaving 361	L 1270 mm.	16	England		1977	60	3.5
1o)	Toggle Dryer 07409	L 1300 mm.	17	German			80	3.5
11)	Sammying M/C 07316 P1	Swivel 60 Frames	18	Czech.		1970	95	2.5
12)	Hydraulic Setting M/C	L1800 mm.	19	Czech.		1959	60	2.5
13)	Toggle Dryer 07409	L1800 mm.	20	Czech.			60	2.5
14)	Vacumm Dryer	Swivel 60 Frames	21	Czech.		1970	95	2.5
		Moenus Turner 111/2	22	German		1984	85	5

Page No. ___ Of ___ Pages

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CONFIDENTIAL

UNIDO PROJECT No. SI/SRL/96/801 - RESTRUCTURING ASSISTANCE AND PRODUCTIVITY SURVEY

NATIONAL INSTITUTE OF BUSINESS MANAGEMENT

LIST OF PLANT & MACHINERY

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15)	Svit Buffing M/C	L 1800 mm.	[illegible]23	Czech		1970	50	2.5
16)	Turner Buffing M/C	L 1800 mm.	24	England		1960	30	2.5
17)	Svit Buffing M/C	L 250 mm.	26	Czech		1970	-	0.5
18)	Turner Dust Removal M/C	Type-610 E	27	England		1969	50	2.5
19)	Molisa Staking M/C	07705/122	28	Czech		1970	50	2.5
20)	Turner Hudraulic Press	Type 623 E	29	England		1970	65	3.5
21)	Drying Chamber (Steam)	07243	30	Czech		1970	10	0.2
22)	Drying Chaimber (Steam)	07243	31	Czech		1970	10	0.2
23)	Automatic Spray M/C	Charvo L 1800	32	France			-	3
24)	Drying Chaimber (Steam)	07243	33	Czech		1970	50	0.2
25)	Drying Chaimber (Steam)	07243	34	Czech		1970	60	0.2
26)	Drying Chaimber (Steam)	07243	35	Czech		1970	60	0.2
27)	Drying Chaimber (Steam)	07243	36	Czech		1970	60	0.2
28)	Spraying Booth	2800x 1600	37	Czech		1970	80	0.2
29)	Drying Chaimber (Steam)	07243	38	Czech		1970	60	0.2

Page No. ___ Of ___ Pages

CONFIDENTIAL

UNIDO PROJECT No. SI/SRL/96/801 - RESTRUCTURING ASSISTANCE AND PRODUCTIVITY SURVEY

NATIONAL INSTITUTE OF BUSINESS MANAGEMENT

LIST OF PLANT & MACHINERY

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30)	Hydraulic Press M/C	Svit 07547/P2	39	Czech		1970	35	3.5
31)	Pinwheel ~~Measuring~~ M/C	Turner E 10521	40	England		1956	40	1
32)	Experimental ~~Drum~~	~~Doso No. 86011~~	45	~~Italy~~	N/A	N/A	70	1.5
33)	~~-do-~~	N/A	46	~~Local~~			70	0.3
34)	~~-do-~~	N/A	47	~~-do-~~	N/A	N/A	70	0.3
35)	Soaking & ~~Liming Paddle~~	~~Olginia 10000 Lts.~~	51	Spain	1996	1996	80	1
36)	~~-do-~~	3000 Lts.	52	Local	N/A	N/A	60	0.5
37)	~~-do-~~	3000 Lts.	53	Local	N/A	N/A	60	0.5
38)	Soaking ~~Drum~~ (Pajusco)	3300 x 2800 mm.	54	Italy		1984	80	2.5
39)	Tanning ~~Drum~~ (Pajusco)	~~3300 x 2800 mm.~~	55	Italy		1984	80	2.5
40)	Dying ~~Drum~~ (Pajusco)	~~2200 x 1800 mm.~~	56	~~Italy~~		~~1984~~	80	2
41)	Meneghetti ~~Sammying~~ M/C	PC 40 - L 2700	57	~~Italy~~		1995	70	3.5
42)	Tanning ~~Drum~~	Type 07483	58	Czech		1970	80	2.5
43)	Setting ~~M/C~~	Turner E 14713	59	England		N/A	40	2.0
44)	Hydro: ~~Sammying M/C~~	Svit 07316	60	Czech		1970	50	2.5

Page No. ___ Of ___ Pages

T 4

CONFIDENTIAL

UNIDO PROJECT No. SI/SRL/96/801 - RESTRUCTURING ASSISTANCE AND PRODUCTIVITY SURVEY

NATIONAL INSTITUTE OF BUSINESS MANAGEMENT

LIST OF PLANT & MACHINERY

	Description of Machine	Machine Specifications	Location	Country of Origin	Year of Manufacture	Year of Acquisition	Estimated Capacity Utilisation (%)	Approximate Replacement Cost Rs.Mil.
45)	Hydro: Fleshing M/C	Moenus Turner 367	61	German	N/A		70	2.5
46)	Fleshing M/C	Turner 350 L2700	62	England	N/A	N/A	*	4
47)	Hydraulic Press	436 Turner	63	England			*	3.5
48)	Splitting M/C	Svit 07565 P1 2100	64	Czech		1970		5
49)	Air Compressor	Tecalimit CA 1830	65				30	0.2
50)	Sole Leather Rolling M/C	Turner E10361	71	England		1958	30	3.5
51)	Wrinkle Removing M/C	Turner E10540	72	England		1956	20	2.5
52)	Drying Room	Steam/	73		N/A	N/A	50	1
53)	Drying Room	Steam/	74		N/A	N/A	50	1
54)	Electric Hoist		75		N/A	N/A	30	0.5
55)	Rubber Mill (Japan)	48" x 18" No.870173	81	Japan	N/A	N/A	90	2.5
56)	Vulcanizing Press	Metorgan	82	Japn	N/A	N/A	90	1.5
57)	Clicking Press	Type 06005	83		N/A	1960	50	0.5
58)	Water Cooling Plant	Dyking	84		N/A	N/A	90	0.4

Page No. ____ Of ____ Pages

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UNIDO PROJECT No. SI/SRL/96/801 - RESTRUCTURING ASSISTANCE AND PRODUCTIVITY SURVEY

NATIONAL INSTITUTE OF BUSINESS MANAGEMENT

LIST OF PLANT & MACHINERY

	Description of Machine	Machine Specifications	Location	Country of Origin	Year of Manufacture	Year of Acquisition	Estimated Capacity Utilisation (%)	Approximate Replacement Cost Rs.Mil.
59)	Mackmar Boilor	2000 PPH	91	Malaysia			95	2
60)	Water Pump	3"	92				50	0.1
61)	Water Pump	3"	93				50	0.1
62)	Air Compressor	Ingrsoll rand Type30	94				80	0.5
63)	Air Compressor	Type 2JVK 120-1	95	Czech			unservicable	0.5
64)	Drilling M/C	Wolf Type 3814	96	England			30	0.02
65)	Wood Working M/C	Type VSM	97	England		1962	20	0.05
66)	Band Saw M/C	Wood fast 18"	98	England		1962	20	0.05
67)	Press Block ~~Aligning~~ M/C	Vil Pederson 286	99	Denmark		N/A	20	0.1
68)	Water Pressure Vessel	Dia.4' x 8'	100	Local		N/A	95	0.1
69)	Comp Air (~~Compressor~~)	Type 2030 H Press 125	101	N/A		N/A	85	0.2
70)	~~Clemrk Compressor~~	-	102	N/A		N/A	St/by	0.2
71)	Water Pump NUWAY	3"	103	N/A		1970	50	0.1
72)	Water Pum Centric	3"	104	Sri Lanka		1994	50	0.06
73)	Water Pum Centric	2"	105	Sri Lanka		N/A	90	0.04

Page No. ___ Of ___ Pages

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UNIDO PROJECT No. SI/SRL/96/801 - RESTRUCTURING ASSISTANCE AND PRODUCTIVITY SURVEY

NATIONAL INSTITUTE OF BUSINESS MANAGEMENT

LIST OF PLANT & MACHINERY

	Description of Machine	Machine Specifications	Location	Country of Origin	Year of Manufacture	Year of Acquisition	Estimated Capacity Utilisation (%)	Approximate Replacement Cost – Rs.Mil.
74)	Water Pum Centric	2"	106	Sri Lanka		N/A	20	0.04
75)	Water Pum Centric	1"	107	Sri Lanka		1995	20	0.02
76)	F.G. Wilson Generator	350 KVA - 280 KWH	108	U.K.	1996	1996	50	2
77)	Weighing Scale 'Avery'	1000 KG.3205AAG561D		Sri Lanka			20	0.2
78)	-do- 'TRANSPORTA'	500 KG.		Czech		1970	25	0.2
79)	-do- 'AVERY'	500KG.3901AAG875720		Sri Lanka			30	0.1
80)	Weighing Scale 'AVERY'	500KG.3901AAG784792		Sri Lanka			10	0.1
81)	Weighing Scale 'AVERY'	250KG.3901AAG858697		Sri Lanka			20	0.07
82)	Weighing Scale 'AVERY'	250KG.3901AAG723713		Sri Lanka			20	0.07

Page No. ____ Of ____ Pages

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