

## KVIC- REGP-Gramodyog Rojgar Yojana

### Project Profile on Snap Fasteners

#### Introduction

Snap fasteners are press buttons used mainly in dresses of ladies and children and in hosiery goods. Each set consists of two parts, a male and female part which fasten together when pressed. Since ready made dresses are getting increasingly popular, there is always a demand for the product. As snap fastener is a consumer item and widely used now a days in men's wear also, the demand is always on the increase and therefore there should not be much problem in marketing.

**Process of Manufacture:** Male and female parts are separately made out of brass strips in automated machines. These are then loaded with the spring wire and nickel plated. The parts can also be made of polished stainless steel strips. The machines are mostly imported and the dies are made locally. Manufacturing specifications are as per IS: 4741-1968.

**Raw Materials Required :** Brass trip, spring wire, nickel anodes.

1 **Name of the Product :** Snap Fasteners

2 **Project Cost :**

a Capital Expenditure

Land

:

Own

Workshc sq.mtrs

Rs.

Equipment

:

Rs.

900,000.00

Eccentric press, Automatic spring insert machine, Dies, Centrifugal drier, Tumbling barrels, Plating barrels, Plastic basket for pickling.

Total Capital Expenditure

Rs.

900,000.00

b Working Capital

Rs.

460,000.00

**TOTAL PROJECT COST :**

Rs.

1,360,000.00

3 **Estimated Annual Production Capacity:**

(Rs. in 000)

Sr.No.	Particulars	Capacity in tons	Rate	Total Value
1	Snap Fasteners			2800.00
TOTAL		0.00	0.00	2800.00

4 **Raw Material**

:

Rs.

1,320,000.00

5 **Labels and Packing Material**

:

Rs.

6,000.00

6 **Wages (7-Skilled & 7- Unskilled)**

:

Rs.

1,008,000.00

7 **Salaries (MANAGER-1)**

Rs.

120,000.00

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8	Administrative Expenses	:	Rs.	60,000.00
9	Overheads	:	Rs.	75,000.00
10	Miscellaneous Expenses	:	Rs.	25,000.00
11	Depreciation	:	Rs.	90,000.00
12	Insurance	:	Rs.	9,000.00
13	Interest (As per the PLR)			
	a. C.E.Loan	:	Rs.	117,000.00
	b. W.C.Loan	:	Rs.	59,800.00
	Total Interest		Rs.	176,800.00
14	Working Capital Requirement	:		
	Fixed Cost		Rs.	331,000.00
	Variable Cost		Rs.	2,468,800.00
	Requirement of WC per Cycle		Rs.	466,633.00

**15 Cost Analysis**

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	331.00	198.60	231.70	264.80
2	Variable Cost	2469.00	1481.40	1728.30	1975.20
3	Cost of Production	2800.00	1680.00	1960.00	1993.10
4	Projected Sales	3200.00	1920.00	2240.00	2560.00
5	Gross Surplus	400.00	240.00	280.00	320.00
6	Expected Net Surplus	310.00	150.00	190.00	230.00

- Note :
1. All figures mentioned above are only indicative.
  2. If the investment on Building is replaced by Rental then
    - a. Total Cost of Project will be reduced.
    - b. Profitability will be increased.
    - c. Interest on C.E.will be reduced.