

# PROJECT REPORT

Of

# MOSQUITO NET

## PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Mosquito Net**.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]



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**PROJECT AT A GLANCE**

- 1 Name of the Entrepreneur XXXXXXX
- 2 Constitution (legal Status) XXXXXXX
- 3 Father's/Spouce's Name XXXXXXX
- 4 Unit Address : XXXXXXX
- Taluk/Block:  
District : XXXXX  
Pin: XXXXX State: XXXXX  
E-Mail : XXXXX  
Mobile XXXXX
- 5 Product and By Product : **Mosquito Net**
- 6 Name of the project / business activity proposed **Mosquito Net**
- 7 Cost of Project : Rs7.86 lac
- 8 Means of Finance  
Term Loan Rs.4.05 Lacs  
KVIC Margin Money - As per Project Eligibility  
Own Capital Rs.0.79 Lacs  
Working Capital Rs.3.03 Lacs
- 9 Debt Service Coverage Ratio : 13.88
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 6 Months
- 12 Break Even Point : 37%
- 13 Employment : 15 Persons
- 14 Power Requirement : 5.00 HP
- 15 Major Raw materials : Nylon net ,thread ,Tape ,linen
- 16 Estimated Annual Sales Turnover : 48.35 Lacs
- 16 Detailed Cost of Project & Means of Finance

**COST OF PROJECT**

(Rs. In Lacs)

Particulars	Amount
Land	Rented/Owned
Building & Civil Work (2000 Sq ft)	2.50
Plant & Machinery	1.00
Furniture & Fixtures	0.75
Pre-operative Expenses	0.25
Working Capital Requirement	3.36
<b>Total</b>	<b>7.86</b>

**MEANS OF FINANCE**

Particulars	Amount
Own Contribution @10%	0.79
Term Loan	4.05
Workign Capital Finance	3.03
<b>Total</b>	<b>7.86</b>

Beneficiary's Margin Monery      **General**      **Special**  
(% of Project Cost)                      10%                      5%

**PLANT & MACHINERY**

Sewing Machine 103K complete set with all fittingsTA1- with stand	10	9,000.00	90,000.00
Scissor, Scale Tape etc	1S	10,000.00	10,000.00
<b>TotalMachinery</b>			<b>100,000.00</b>

**PROJECTED BALANCE SHEET**

<b>PARTICULARS</b>	<b>IST YEAR</b>	<b>IIND YEAR</b>	<b>IIIRD YEAR</b>	<b>IVTH YEAR</b>	<b>VTH YEAR</b>
<b><u>SOURCES OF FUND</u></b>					
Capital Account	0.79	0.79	0.79	0.79	0.79
Retained Profit	8.15	17.44	27.74	39.94	53.87
Term Loan	4.05	3.04	2.03	1.01	0.51
Cash Credit	3.01	3.01	3.01	3.01	3.01
Sundry Creditors	1.42	1.65	1.89	2.13	2.36
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
<b>TOTAL :</b>	<b>17.77</b>	<b>26.32</b>	<b>35.89</b>	<b>47.35</b>	<b>61.06</b>
<b><u>APPLICATION OF FUND</u></b>					
<b>Fixed Assets ( Gross)</b>	4.25	4.25	4.25	4.25	4.25
Gross Dep.	0.44	0.86	1.24	1.57	1.86
Net Fixed Assets	3.81	3.39	3.01	2.68	2.39
<b>Current Assets</b>					
Sundry Debtors	3.38	4.03	4.61	5.18	5.76
Stock in Hand	1.40	2.26	2.58	2.90	3.23
Cash and Bank	6.68	13.90	22.66	33.25	46.02
Deposits & Advances	2.50	2.75	3.03	3.33	3.66
<b>TOTAL :</b>	<b>17.77</b>	<b>26.32</b>	<b>35.89</b>	<b>47.35</b>	<b>61.06</b>
	-	-	-	-	-

**PROJECTED PROFITABILITY STATEMENT**

<b>PARTICULARS</b>	<b>IST YEAR</b>	<b>IIND YEAR</b>	<b>IIIRD YEAR</b>	<b>IVTH YEAR</b>	<b>VTH YEAR</b>
<b>A) SALES</b>					
Gross Sale	48.35	57.56	65.81	74.06	82.31
<b>Total (A)</b>	<b>48.35</b>	<b>57.56</b>	<b>65.81</b>	<b>74.06</b>	<b>82.31</b>
<b>B) COST OF SALES</b>					
Raw Mateiral Consumed	20.25	23.63	27.00	30.38	33.75
Elecricity Expenses	0.43	0.50	0.57	0.64	0.72
Repair & Maintenance	-	0.58	0.66	0.74	0.82
Labour & Wages	13.73	15.10	16.61	18.27	20.10
Depriciation	0.44	0.42	0.38	0.33	0.29
Consumables and Other Expense	2.42	2.88	3.29	3.70	4.12
<b>Cost of Production</b>	<b>37.26</b>	<b>43.10</b>	<b>48.51</b>	<b>54.07</b>	<b>59.80</b>
<b>Add: Opening Stock /WIP</b>	-	0.92	1.08	1.23	1.39
<b>Less: Closing Stock /WIP</b>	0.92	1.08	1.23	1.39	1.54
Cost of Sales (B)	36.34	42.95	48.35	53.91	59.64
<b>C) GROSS PROFIT (A-B)</b>	12.01	14.61	17.45	20.14	22.66
	<b>25%</b>	<b>25%</b>	<b>27%</b>	<b>27%</b>	<b>28%</b>
D) Bank Interest (Term Loan )	0.34	0.36	0.25	0.13	0.02
Bank Interest ( C.C. Limit )	0.30	0.30	0.30	0.30	0.30
E) Salary to Staff	2.24	2.47	2.72	2.99	3.29
F) Selling & Adm Expenses Exp.	0.97	1.15	1.32	1.48	1.65
<b>TOTAL (D+E)</b>	<b>3.85</b>	<b>4.28</b>	<b>4.58</b>	<b>4.90</b>	<b>5.25</b>
H) NET PROFIT	8.15	10.32	12.87	15.24	17.41
I) Taxation	-	1.03	2.57	3.05	3.48
J) PROFIT (After Tax)	8.15	9.29	10.30	12.20	13.93

**PROJECTED CASH FLOW STATEMENT**

<b>PARTICULARS</b>	<b>IST YEAR</b>	<b>IIND YEAR</b>	<b>IIIRD YEAR</b>	<b>IVTH YEAR</b>	<b>VTH YEAR</b>
<b><u>SOURCES OF FUND</u></b>					
Share Capital	0.79	-			
Reserve & Surplus	8.15	10.32	12.87	15.24	17.41
Depriciation & Exp. W/off	0.44	0.42	0.38	0.33	0.29
Increase in Cash Credit	3.01	-	-	-	-
Increase In Term Loan	4.05	-	-	-	-
Increase in Creditors	1.42	0.24	0.24	0.24	0.24
Increase in Provisions	0.36	0.04	0.04	0.04	0.05
<b>TOTAL :</b>	<b>18.21</b>	<b>11.02</b>	<b>13.53</b>	<b>15.86</b>	<b>17.99</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	4.25	-	-	-	-
Increase in Stock	1.40	0.86	0.32	0.32	0.32
Increase in Debtors	3.38	0.64	0.58	0.58	0.58
Increase in Deposits & Adv	2.50	0.25	0.28	0.30	0.33
Repayment of Term Loan	-	1.01	1.01	1.01	0.51
Taxation	-	1.03	2.57	3.05	3.48
<b>TOTAL :</b>	<b>11.53</b>	<b>3.80</b>	<b>4.76</b>	<b>5.26</b>	<b>5.22</b>
Opening Cash & Bank Balance	-	6.68	13.90	22.66	33.25
Add : Surplus	6.68	7.22	8.76	10.59	12.77
Closing Cash & Bank Balance	<b>6.68</b>	<b>13.90</b>	<b>22.66</b>	<b>33.25</b>	<b>46.02</b>

**COMPUTATION OF MANUFACTURING OF Mosquito Net**

Items to be Manufactured

Mosquito Net

Manufacturing Capacity per day	-	250	Mosquito Net
No. of Working Hour		8	
No of Shift per day		1	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		75,000.00	Mosquito Net
Year		Capacity	
		Utilisation	
			Mosquito Net
IST YEAR		60%	45,000
IIND YEAR		70%	52,500
IIIRD YEAR		80%	60,000
IVTH YEAR		90%	67,500
VTH YEAR		100%	75,000

**COMPUTATION OF RAW MATERIAL**

Item Name		Quantity of	Recovery	Unit Rate of	Total Cost
		Raw Material		of RM	Per Annum (100%
		Meters			
Nylon Net	100%	75,000.00	100%	45.00	33.75
Cotton tape,thread lining cloth etc					
Packing material					
Total (Rounded off in lacs)					33.75
Annual Consumption cost	( In Lacs)				33.75

Raw Material Consumed	Capacity	Amount (Rs.)
	Utilisation	
IST YEAR	60%	20.25
IIND YEAR	70%	23.63
IIIRD YEAR	80%	27.00
IVTH YEAR	90%	30.38
VTH YEAR	100%	33.75

**COMPUTATION OF CLOSING STOCK & WORKING CAPITAL**

<b>PARTICULARS</b>	<b>IST YEAR</b>	<b>IIND YEAR</b>	<b>IIIRD YEAR</b>	<b>IVTH YEAR</b>	<b>VTH YEAR</b>
<b><u>Finished Goods</u></b>					
(15 Days requirement)	0.92	1.08	1.23	1.39	1.54
<b><u>Raw Material</u></b>					
(15 Days requirement)	0.47	1.18	1.35	1.52	1.69
<b>Closing Stock</b>	<b>1.40</b>	<b>2.26</b>	<b>2.58</b>	<b>2.90</b>	<b>3.23</b>

**COMPUTATION OF WORKING CAPITAL REQUIREMENT**

<b>Particulars</b>			<b>Total Amount</b>
Stock in Hand			1.40
Sundry Debtors			3.38
		Total	4.78
Sundry Creditors			1.42
Working Capital Requirement			<b>3.36</b>
Margin			0.36
Working Capital Finance			<b>3.01</b>

**BREAK UP OF LABOUR**

Particulars	Wages Per Month	No of Employees	Total Salary
Stitching machine operator	8,000.00	10	80,000.00
Master Cutter	8,000.00	2	16,000.00
Unskilled Worker	4,000.00	2	8,000.00
			104,000.00
Add: 10% Fringe Benefit			10,400.00
Total Labour Cost Per Month			114,400.00
Total Labour Cost for the year ( In Rs. Lakhs)			13.73

**BREAK UP OF SALARY**

Particulars	Salary Per Month	No of Employees	Total Salary
Supervisor	10,000.00	1	10,000.00
Sales Man	7,000.00	1	7,000.00
Total Salary Per Month			17,000.00
Add: 10% Fringe Benefit			1,700.00
Total Salary for the month			18,700.00
Total Salary for the year ( In Rs. Lakhs)			2.24



**COMPUTATION OF DEPRECIATION**

Description	Land	Building/shed	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation		10.00%	15.00%	10.00%	
<b>Opening Balance</b>	Leased	-	-	-	-
Addition	-	2.50	1.00	0.75	4.25
	-	2.50	1.00	0.75	4.25
Less : Depreciation	-	0.25	0.15	0.04	0.44
WDV at end of Ist year	-	2.25	0.85	0.71	3.81
Additions During The Year	-	-	-	-	-
	-	2.25	0.85	0.71	3.81
Less : Depreciation	-	0.23	0.13	0.07	0.42
WDV at end of IIInd Year	-	2.03	0.72	0.64	3.39
Additions During The Year	-	-	-	-	-
	-	2.03	0.72	0.64	3.39
Less : Depreciation	-	0.20	0.11	0.06	0.38
WDV at end of IIIrd year	-	1.82	0.61	0.58	3.01
Additions During The Year	-	-	-	-	-
	-	1.82	0.61	0.58	3.01
Less : Depreciation	-	0.18	0.09	0.06	0.33
WDV at end of IV year	-	1.64	0.52	0.52	2.68
Additions During The Year	-	-	-	-	-
	-	1.64	0.52	0.52	2.68
Less : Depreciation	-	0.16	0.08	0.05	0.29
WDV at end of Vth year	-	1.48	0.44	0.47	2.39

**REPAYMENT SCHEDULE OF TERM LOAN**

11.5%

<b>Year</b>	<b>Particulars</b>	<b>Amount</b>	<b>Addition</b>	<b>Total</b>	<b>Interest</b>	<b>Repayment</b>	<b>CI Balance</b>
<b>IST YEAR</b>	Opening Balance						
	Ist Quarter	-	4.05	4.05	-	-	4.05
	Iind Quarter	4.05	-	4.05	0.12	-	4.05
	IIIrd Quarter	4.05	-	4.05	0.12	0.25	3.80
	Ivth Quarter	3.80	-	3.80	0.11	0.25	3.54
					0.34	0.51	
<b>IIND YEAR</b>	Opening Balance						
	Ist Quarter	3.54	-	3.54	0.10	0.25	3.29
	Iind Quarter	3.29	-	3.29	0.09	0.25	3.04
	IIIrd Quarter	3.04	-	3.04	0.09	0.25	2.78
	Ivth Quarter	2.78	-	2.78	0.08	0.25	2.53
					0.36	1.01	
<b>IIIRD YEAR</b>	Opening Balance						
	Ist Quarter	2.53	-	2.53	0.07	0.25	2.28
	Iind Quarter	2.28	-	2.28	0.07	0.25	2.03
	IIIrd Quarter	2.03	-	2.03	0.06	0.25	1.77
	Ivth Quarter	1.77	-	1.77	0.05	0.25	1.52
					0.25	1.01	
<b>IVTH YEAR</b>	Opening Balance						
	Ist Quarter	1.52	-	1.52	0.04	0.25	1.27
	Iind Quarter	1.27	-	1.27	0.04	0.25	1.01
	IIIrd Quarter	1.01	-	1.01	0.03	0.25	0.76
	Ivth Quarter	0.76	-	0.76	0.02	0.25	0.51
					0.13	1.01	
<b>VTH YEAR</b>	Opening Balance						
	Ist Quarter	0.51	-	0.51	0.01	0.25	0.25
	Iind Quarter	0.25	-	0.25	0.01	0.25	0.00
	IIIrd Quarter	0.00	-	0.00	0.00	-	0.00
	Ivth Quarter	0.00	-	0.00	0.00	-	0.00
					0.02	0.51	

**CALCULATION OF D.S.C.R**

<b>PARTICULARS</b>	<b>IST YEAR</b>	<b>IIND YEAR</b>	<b>IIIRD YEAR</b>	<b>IVTH YEAR</b>	<b>VTH YEAR</b>
<b><u>CASH ACCRUALS</u></b>	8.59	9.71	10.67	12.53	14.22
Interest on Term Loan	0.34	0.36	0.25	0.13	0.02
Total	8.93	10.08	10.92	12.66	14.24
<b><u>REPAYMENT</u></b>					
Instalment of Term Loan	1.01	1.01	1.01	0.51	0.51
Interest on Term Loan	0.34	0.36	0.25	0.13	0.02
Total	1.35	1.38	1.26	0.64	0.53
<b>DEBT SERVICE COVERAGE R</b>	<b>6.59</b>	<b>7.32</b>	<b>8.67</b>	<b>19.87</b>	<b>26.97</b>
<b>AVERAGE D.S.C.R.</b>			<b>13.88</b>		

<b>COMPUTATION OF SALE</b>					
Particulars	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock	-	1,050	1,225	1,400	1,575
Production	45,000	52,500	60,000	67,500	75,000
	45,000	53,550	61,225	68,900	76,575
Less : Closing Stock	1,050	1,225	1,400	1,575	1,750
Net Sale	43,950	52,325	59,825	67,325	74,825
Sale Price per Mosquito net	110.00	110.00	110.00	110.00	110.00
<b>Sale (in Lacs)</b>	<b>48.35</b>	<b>57.56</b>	<b>65.81</b>	<b>74.06</b>	<b>82.31</b>

**COMPUTATION OF ELECTRICITY**

<b>(A) POWER CONNECTION</b>			
Total Working Hour per day	Hours	8	
Electric Load Required		5	
Load Factor		0.7460	
Electricity Charges	per unit	8.00	
Total Working Days		300	
<b>Electricity Charges ( 8 Hrs Per day )</b>			71,616.00
Add : Minimim Charges (@ 10%)			
<b>(B) D.G. SET</b>			
No. of Working Days		300	days
No of Working Hours		-	Hour per day
Total no of Hour		-	
Diesel Consumption per Hour		8	
Total Consumption of Diesel		-	
Cost of Diesel		65.00	Rs. /Ltr
Total cost of Diesel		-	
Add : Lube Cost @15%		-	
Total		-	
Total cost of Power & Fuel at 100%			0.72
Year	Capacity		Amount (in Lacs)
IST YEAR	60%		0.43
IIND YEAR	70%		0.50
IIIRD YEAR	80%		0.57
IVTH YEAR	90%		0.64
VTH YEAR	100%		0.72

## BREAK EVEN POINT ANALYSIS

Year	I	II	III	IV	V
<b>Net Sales &amp; Other Income</b>	48.35	57.56	65.81	74.06	82.31
Less : Op. WIP Goods	-	0.92	1.08	1.23	1.39
Add : Cl. WIP Goods	0.92	1.08	1.23	1.39	1.54
<b>Total Sales</b>	<b>49.27</b>	<b>57.71</b>	<b>65.96</b>	<b>74.21</b>	<b>82.46</b>
<b>Variable &amp; Semi Variable Exp.</b>					
Raw Material & Tax	20.25	23.63	27.00	30.38	33.75
Electricity Exp/Coal Consumption at 85%	0.37	0.43	0.49	0.55	0.61
Manufacturing Expenses 80%	1.93	2.76	3.16	3.55	3.95
Wages & Salary at 60%	9.58	10.54	11.60	12.76	14.03
Selling & administrative Expenses 80%	0.77	0.92	1.05	1.18	1.32
Intt. On Working Capital Loan	0.30	0.30	0.30	0.30	0.30
<b>Total Variable &amp; Semi Variable Exp</b>	<b>33.21</b>	<b>38.58</b>	<b>43.60</b>	<b>48.72</b>	<b>53.96</b>
<b>Contribution</b>	<b>16.06</b>	<b>19.13</b>	<b>22.37</b>	<b>25.49</b>	<b>28.50</b>
<b>Fixed &amp; Semi Fixed Expenses</b>					
Manufacturing Expenses 20%	0.48	0.69	0.79	0.89	0.99
Electricity Exp/Coal Consumption at 15%	0.06	0.08	0.09	0.10	0.11
Wages & Salary at 40%	6.39	7.03	7.73	8.50	9.35
Interest on Term Loan	0.34	0.36	0.25	0.13	0.02
Depreciation	0.44	0.42	0.38	0.33	0.29
Selling & administrative Expenses 20%	0.19	0.23	0.26	0.30	0.33
<b>Total Fixed Expenses</b>	<b>7.91</b>	<b>8.81</b>	<b>9.49</b>	<b>10.25</b>	<b>11.09</b>
<b>Capacity Utilization</b>	<b>75%</b>	<b>80%</b>	<b>85%</b>	<b>90%</b>	<b>95%</b>
<b>OPERATING PROFIT</b>	<b>8.15</b>	<b>10.32</b>	<b>12.87</b>	<b>15.24</b>	<b>17.41</b>
<b>BREAK EVEN POINT</b>	<b>37%</b>	<b>37%</b>	<b>36%</b>	<b>36%</b>	<b>37%</b>
<b>BREAK EVEN SALES</b>	<b>24.26</b>	<b>26.58</b>	<b>27.99</b>	<b>29.83</b>	<b>32.10</b>

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