



AN ISO 9001 : 2015 CERTIFIED COMPANY

Detailed project report

Sample edition

Projections from FY 2027-28

Project report

Bread

Installed capacity 9,500 loaves per day

Sector Bakery and confectionery

Total project cost ₹193.90 lakh

Illustrative sample
Figures are representative

Project at a glance

Bread
9,500 loaves per day

Product	Bread	Sector	Bakery and confectionery
Installed capacity	9,500 loaves per day	Annual capacity	28,50,000 loaves per year
Selling price (ex-GST)	₹25.50 per loaf	Working days	300 a year
Manpower	26 people	Plant and machinery	₹95.13 lakh
Total project cost	₹193.90 lakh	Promoter's contribution	₹48.48 lakh (25%)
Term loan	₹145.42 lakh (75%)	Cash credit limit	₹23.06 lakh
Revenue, Year 3	₹508.72 lakh at 70%	Net profit, Year 3	₹49.06 lakh
Return on investment	25.3% a year	Break-even, Year 3	43.3% of capacity
Average DSCR	2.00	Payback period	3.3 years

This is an illustrative sample. Its figures are generated from industry-typical ratios to show the format and depth of an NPCS project report. They are not taken from any NPCS report or any real project, and should not be used for investment or lending decisions.

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1 Introduction

The product covered in this sample is bread, made in a plant sized at 9,500 loaves per day (28,50,000 loaves per year at full capacity). The unit is costed as a complete project, from land and building through to working capital, and its applications range from kirana and grocery stores to supermarkets.

Each section follows the layout of a bank-format project report: project cost, means of finance, working capital, profitability, cash flow, balance sheet, debt service and break-even. In Year 3, running at 70% of capacity, the model unit sells ₹508.72 lakh worth of bread and keeps ₹49.06 lakh as net profit.

2 Uses and applications

The main applications and markets for the product are:

- Kirana and grocery stores
- Hotels and restaurants
- Schools and hostels
- Supermarkets

3 Market potential

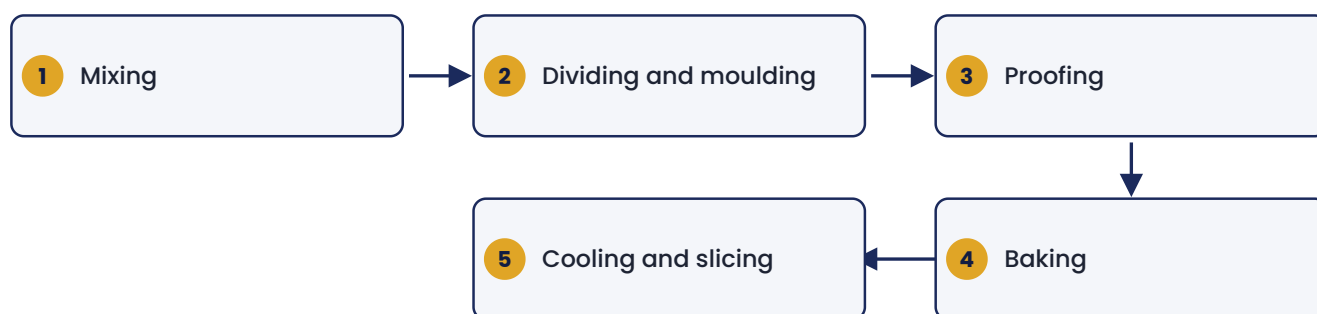
Sliced white, brown and milk bread is bought almost every day by households in towns and cities, and its short shelf life of a few days keeps most supply local. A plant that delivers fresh loaves to shops before 7 am each morning, and takes back unsold stock, wins dealers more readily than a cheaper brand that ships from far away. Hotels, hostels, hospitals and quick service restaurants add steady bulk orders for sandwich loaves, buns and pav.

The usual customers for a unit of this kind are kirana, bakery and grocery shops on a morning delivery route; supermarkets and modern retail chains; hotels, restaurants and quick service outlets needing buns and pav; hostels, hospitals and institutional canteens; and distributors serving nearby towns.

Because demand and competition vary from one district to the next, the market section of a full report is prepared for the promoter's chosen location, with a list of existing manufacturers.

4 Manufacturing process

Production of bread follows five main steps, from mixing to cooling and slicing. The flow chart shows how material moves through the plant.



Process flow for bread

- 1 Mixing.** Flour, water, yeast and other ingredients are mixed into dough.
- 2 Dividing and moulding.** Dough is divided, rounded and placed in tins.
- 3 Proofing.** Dough rises in a warm humid chamber.
- 4 Baking.** Loaves are baked in a tunnel oven.
- 5 Cooling and slicing.** Bread is cooled, sliced and bagged.

5 Raw materials

The main raw materials are wheat flour (maida), sugar, yeast and improvers, vegetable fat, and salt and milk solids. In Year 3, at 70% utilisation, raw materials cost ₹251.34 lakh, about 49.4% of sales. The table shows how this cost splits between materials.

Raw material	Share of cost	Year 3 cost (₹ lakh)
Wheat flour (maida)	70.0%	175.94
Sugar	8.0%	20.11
Yeast and improvers	7.0%	17.59
Vegetable fat	10.0%	25.13
Salt and milk solids	5.0%	12.57
Total raw materials	100.0%	251.34

6 Plant and machinery

Plant and machinery for the model unit is estimated at ₹95.13 lakh, before the contingency allowance. The tunnel oven is the largest single item. A full NPCS report adds specifications and supplier names for each machine.

Machinery and equipment	Indicative cost (₹ lakh)
Spiral dough mixer	14.27
Dough divider and rounder	14.27
Proofing chamber	11.42
Tunnel oven	33.29
Bread slicer	7.61
Bread bagging machine	14.27
Total plant and machinery	95.13

7 Land, building and utilities

Land and site development is taken at ₹18.36 lakh and building and civil works at ₹48.80 lakh. Other fixed assets, including electrification, furniture, testing equipment and power backup, add ₹12.18 lakh. Land rates vary widely by location, so these are the figures most likely to change in a real project.

Power and fuel cost ₹22.57 lakh in Year 3, about 4.4% of sales. Water is needed for cleaning, domestic use and, where the process calls for it, production.

8 Manpower

A team of 26 runs the plant, from management and supervision to skilled operators and helpers. The Year 1 wage bill is ₹52.62 lakh, rising 5% a year.

Category	Number	Monthly wage (₹)	Annual cost (₹ lakh)
Management, supervision and administration	4	29,000	13.92
Skilled workers and operators	9	18,500	19.98
Semi-skilled and unskilled workers	13	12,000	18.72
Total (Year 1)	26		52.62

9 Licences and approvals

A unit of this kind typically needs the following registrations and approvals. Requirements vary by state and by the exact product, so confirm them with the local authorities before applying.

- Udyam (MSME) registration
- GST registration
- Consent to establish and consent to operate from the State Pollution Control Board
- Factory licence or registration under the applicable labour law, where the workforce threshold applies
- Fire safety NOC, where required
- Trade licence from the local body
- FSSAI state or central licence based on daily production (central above 2 MT per day)
- Bread to meet the FSSAI standard for bread under regulation 2.4.15.2
- Legal Metrology registration as a packer under rule 27 of the Packaged Commodities Rules, 2011

10 Project cost and means of finance

Setting up the unit costs ₹193.90 lakh in all, of which plant and machinery is ₹95.13 lakh. The estimate includes a 5% contingency on building and machinery, pre-operative expenses and the margin money needed to start working capital.

Cost of project	₹ lakh
Land and site development	18.36
Building and civil works	48.80
Plant and machinery	95.13
Other fixed assets (electrification, furniture, lab equipment, DG set)	12.18
Contingencies	7.20
Preliminary and pre-operative expenses	4.54
Margin money for working capital	7.69
Total cost of project	193.90

Means of finance

Funding follows a 75:25 split between bank loan and promoter's contribution, with a term loan of ₹145.42 lakh and promoter funds of ₹48.48 lakh. The bank also provides a cash credit limit of ₹23.06 lakh for working capital.

Source of funds	₹ lakh
Promoter's contribution (25%)	48.48
Term loan from bank (75%)	145.42
Total means of finance	193.90
<i>Cash credit limit for working capital (separate)</i>	<i>23.06</i>

11 Working capital

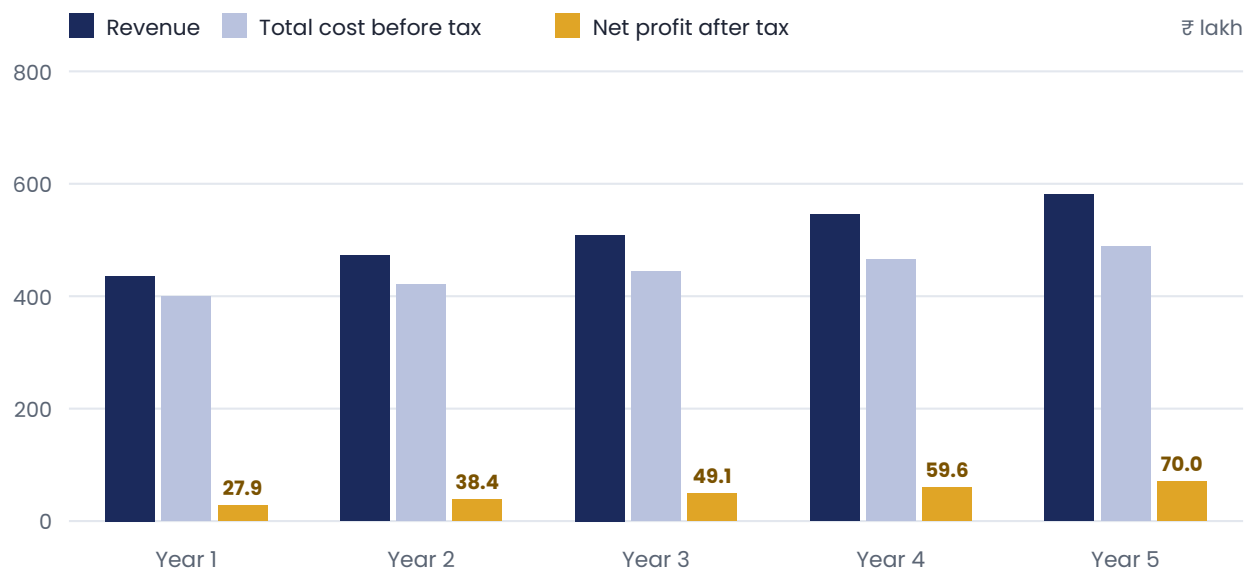
The unit needs ₹30.75 lakh of working capital in Year 1, based on 15 days of raw material stock, 7 days of finished goods and 21 days of customer credit, net of 15 days of supplier credit. Of this, ₹23.06 lakh comes from the bank and ₹7.69 lakh from the promoter.

Particulars (₹ lakh)	Year 1 FY 2027-28	Year 2 FY 2028-29	Year 3 FY 2029-30	Year 4 FY 2030-31	Year 5 FY 2031-32
Raw material stock (15 days)	8.85	9.59	10.33	11.07	11.80
Work in progress (1 days)	0.79	0.85	0.91	0.97	1.03
Finished goods (7 days)	6.16	6.64	7.12	7.60	8.09
Trade receivables (21 days)	25.09	27.18	29.27	31.36	33.45
Total current assets	40.89	44.26	47.63	51.00	54.37
Less: trade creditors (15 days)	10.14	10.98	11.83	12.67	13.52
Working capital requirement	30.75	33.28	35.80	38.33	40.85

12 Projected profitability

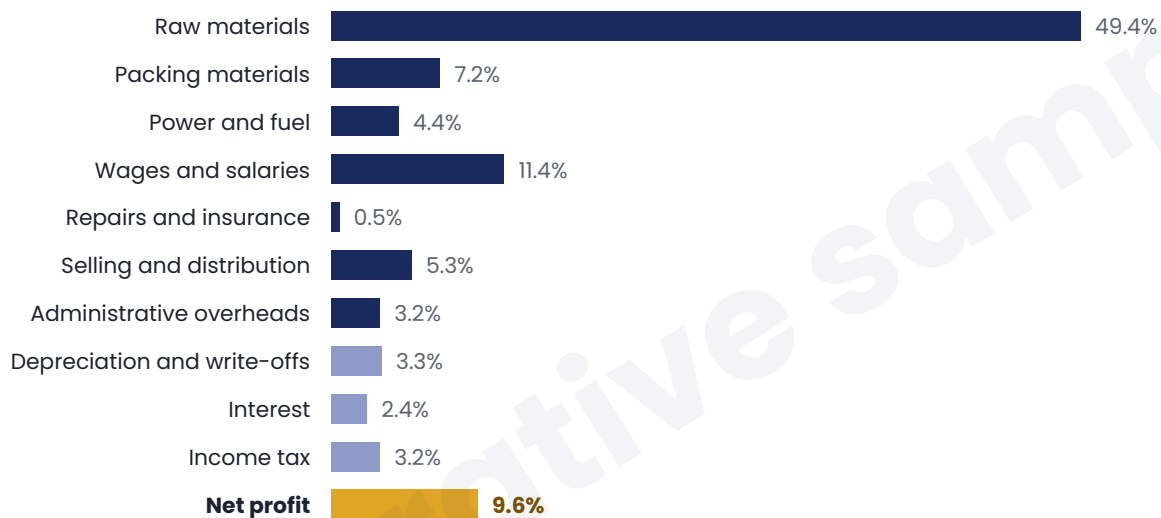
Revenue grows from ₹436.05 lakh in Year 1, at 60% utilisation, to ₹581.40 lakh in Year 5 at 80%. Net profit rises from ₹27.88 lakh to ₹69.99 lakh over the same period, an average net margin of 9.4%.

Particulars (₹ lakh)	Year 1 FY 2027-28	Year 2 FY 2028-29	Year 3 FY 2029-30	Year 4 FY 2030-31	Year 5 FY 2031-32
Capacity utilisation (%)	60%	65%	70%	75%	80%
Revenue from operations	436.05	472.39	508.72	545.06	581.40
Raw materials consumed	215.43	233.39	251.34	269.29	287.25
Packing materials	31.25	33.86	36.46	39.06	41.67
Power and fuel	19.35	20.96	22.57	24.18	25.80
Wages and salaries	52.62	55.25	58.01	60.91	63.96
Repairs and maintenance	1.90	2.00	2.10	2.20	2.31
Insurance	0.65	0.65	0.65	0.65	0.65
Cost of production	321.20	346.11	371.13	396.29	421.64
Gross profit	114.85	126.28	137.59	148.77	159.76
Selling and distribution expenses	23.08	25.01	26.93	28.86	30.78
Administrative overheads	14.83	15.57	16.35	17.16	18.02
Operating profit (EBITDA)	76.94	85.70	94.31	102.75	110.96
Depreciation	21.32	18.45	15.97	13.83	11.98
Preliminary expenses written off	0.91	0.91	0.91	0.91	0.90
Interest on term loan	14.99	12.58	9.48	6.04	2.22
Interest on cash credit	2.54	2.54	2.54	2.54	2.54
Profit before tax	37.18	51.22	65.41	79.43	93.32
Income tax	9.30	12.80	16.35	19.86	23.33
Profit after tax	27.88	38.42	49.06	59.57	69.99



Revenue, total cost before tax and net profit after tax, ₹ lakh

Where each rupee of sales goes in Year 3



Each cost head as a percentage of Year 3 sales

13 Cash flow statement

Cash generated from profit and depreciation covers the term loan repayments in every year. The closing cash balance builds up to ₹175.49 lakh by the end of Year 5.

Particulars (₹ lakh)	Year 1 FY 2027-28	Year 2 FY 2028-29	Year 3 FY 2029-30	Year 4 FY 2030-31	Year 5 FY 2031-32
Sources of funds					
Promoter's contribution	48.48	–	–	–	–
Term loan from bank	145.42	–	–	–	–
Cash credit (working capital) from bank	23.06	–	–	–	–
Net profit after tax	27.88	38.42	49.06	59.57	69.99
Depreciation	21.32	18.45	15.97	13.83	11.98
Preliminary expenses written off	0.91	0.91	0.91	0.91	0.90
Increase in trade creditors	10.14	0.84	0.85	0.84	0.85
Total sources	277.21	58.62	66.79	75.15	83.72
Application of funds					
Fixed assets	181.67	–	–	–	–
Preliminary and pre-operative expenses	4.54	–	–	–	–
Increase in inventories	15.80	1.28	1.28	1.28	1.28
Increase in trade receivables	25.09	2.09	2.09	2.09	2.09
Repayment of term loan	12.99	28.11	31.21	34.64	38.47
Drawings	–	–	–	–	–
Total application	240.09	31.48	34.58	38.01	41.84
Net cash flow	37.12	27.14	32.21	37.14	41.88
Opening cash balance	–	37.12	64.26	96.47	133.61
Closing cash balance	37.12	64.26	96.47	133.61	175.49

14 Projected balance sheet

Over the projection, retained profits build the promoter's net worth from ₹72.73 lakh to ₹293.40 lakh, and the term loan reduces from ₹132.43 lakh to nil as it is repaid.

As at year end (₹ lakh)	Year 1 FY 2027-28	Year 2 FY 2028-29	Year 3 FY 2029-30	Year 4 FY 2030-31	Year 5 FY 2031-32
Liabilities					
Promoter's capital	48.48	48.48	48.48	48.48	48.48
Reserves and surplus	27.88	66.30	115.36	174.93	244.92
Term loan	132.43	104.32	73.11	38.47	–
Cash credit from bank	23.06	23.06	23.06	23.06	23.06
Trade creditors	10.14	10.98	11.83	12.67	13.52
Total liabilities	241.99	253.14	271.84	297.61	329.98
Assets					
Gross fixed assets	181.67	181.67	181.67	181.67	181.67
Less: accumulated depreciation	(21.32)	(39.77)	(55.74)	(69.57)	(81.55)
Net fixed assets	160.35	141.90	125.93	112.10	100.12
Preliminary expenses not written off	3.63	2.72	1.81	0.90	–
Inventories	15.80	17.08	18.36	19.64	20.92
Trade receivables	25.09	27.18	29.27	31.36	33.45
Cash and bank balance	37.12	64.26	96.47	133.61	175.49
Total assets	241.99	253.14	271.84	297.61	329.98

15 Depreciation

Depreciation is charged on the written-down value method at Income Tax Act rates: 10% on building, 15% on plant and machinery and 10% on other fixed assets. Land is not depreciated, and preliminary expenses are written off over five years.

Particulars (₹ lakh)	Year 1 FY 2027-28	Year 2 FY 2028-29	Year 3 FY 2029-30	Year 4 FY 2030-31	Year 5 FY 2031-32
Building and civil works (cost ₹51.24 lakh, 10% WDV)					
Opening written-down value	51.24	46.12	41.51	37.36	33.62
Depreciation	5.12	4.61	4.15	3.74	3.36
Closing written-down value	46.12	41.51	37.36	33.62	30.26
Plant and machinery (cost ₹99.89 lakh, 15% WDV)					
Opening written-down value	99.89	84.91	72.17	61.34	52.14
Depreciation	14.98	12.74	10.83	9.20	7.82
Closing written-down value	84.91	72.17	61.34	52.14	44.32
Other fixed assets (cost ₹12.18 lakh, 10% WDV)					
Opening written-down value	12.18	10.96	9.86	8.87	7.98
Depreciation	1.22	1.10	0.99	0.89	0.80
Closing written-down value	10.96	9.86	8.87	7.98	7.18
Total depreciation	21.32	18.45	15.97	13.83	11.98
Preliminary expenses written off	0.91	0.91	0.91	0.91	0.90

16 Term loan repayment

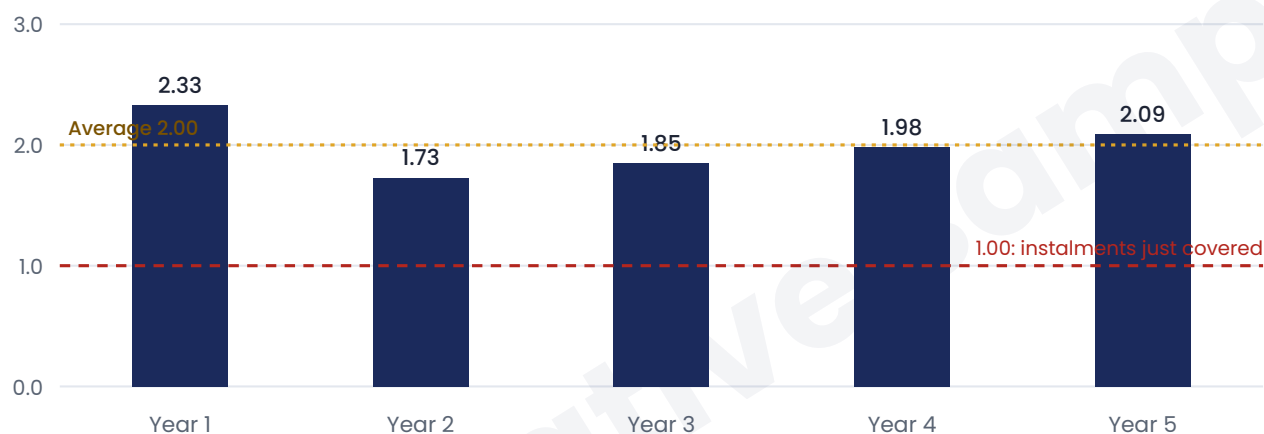
The term loan of ₹145.42 lakh carries interest at 10.5% a year. Only interest is paid during the 6-month moratorium, after which the loan is repaid in 54 equal monthly instalments of ₹3,39,064. The month-by-month schedule is in the annexure.

Particulars (₹ lakh)	Year 1 FY 2027-28	Year 2 FY 2028-29	Year 3 FY 2029-30	Year 4 FY 2030-31	Year 5 FY 2031-32
Opening balance	145.42	132.43	104.32	73.11	38.47
Interest	14.99	12.58	9.48	6.04	2.22
Principal repaid	12.99	28.11	31.21	34.64	38.47
Closing balance	132.43	104.32	73.11	38.47	—

17 Debt service coverage

The debt service coverage ratio averages 2.00 over the repayment years, with a low of 1.73 in Year 2. A DSCR above 1 means the unit earns enough to meet its loan instalments, and the model keeps a margin above that in every year.

Particulars (₹ lakh)	Year 1 FY 2027-28	Year 2 FY 2028-29	Year 3 FY 2029-30	Year 4 FY 2030-31	Year 5 FY 2031-32
Net profit after tax	27.88	38.42	49.06	59.57	69.99
Depreciation and write-offs	22.23	19.36	16.88	14.74	12.88
Interest on term loan	14.99	12.58	9.48	6.04	2.22
Total available for debt service (A)	65.10	70.36	75.42	80.35	85.09
Principal repayment	12.99	28.11	31.21	34.64	38.47
Interest on term loan	14.99	12.58	9.48	6.04	2.22
Total debt service (B)	27.98	40.69	40.69	40.68	40.69
DSCR (A / B)	2.33	1.73	1.85	1.98	2.09

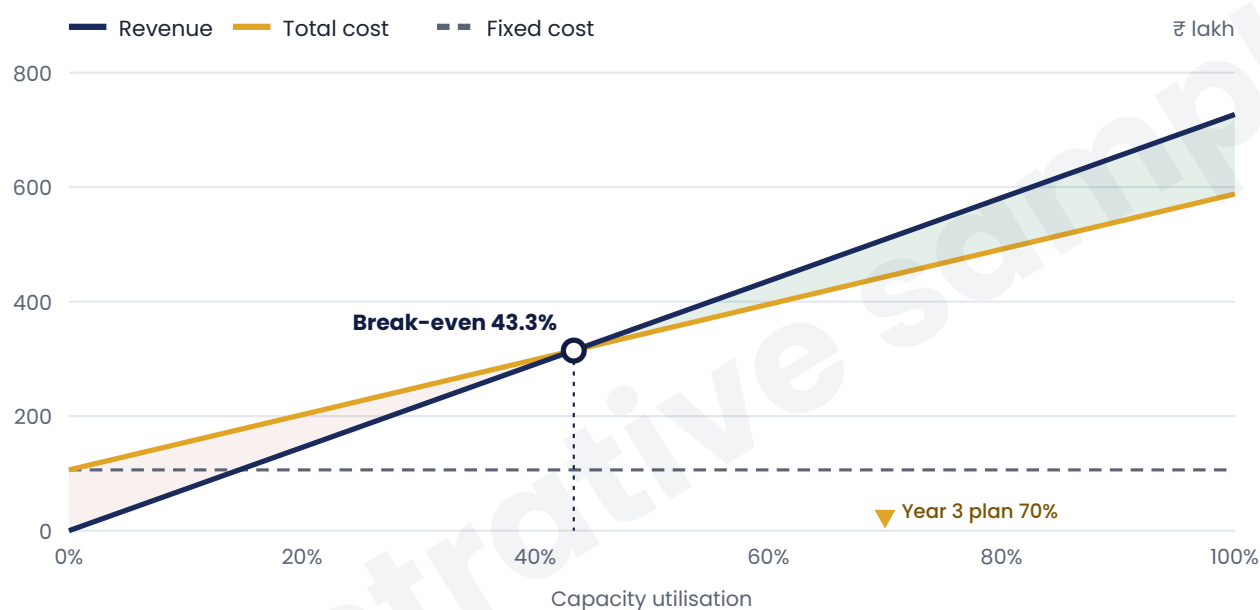


DSCR by year. A ratio above 1.00 means cash accruals cover the term loan instalments.

18 Break-even analysis

At Year 3 levels the unit breaks even at 43.3% of installed capacity, against planned utilisation of 70%. On a cash basis, leaving out depreciation and write-offs, break-even falls to 36.4%.

Particulars (₹ lakh)	Year 1 FY 2027-28	Year 2 FY 2028-29	Year 3 FY 2029-30	Year 4 FY 2030-31	Year 5 FY 2031-32
Revenue from operations	436.05	472.39	508.72	545.06	581.40
Variable costs	289.11	313.22	337.30	361.39	385.50
Contribution	146.94	159.17	171.42	183.67	195.90
Fixed costs (incl. depreciation and interest)	109.76	107.95	106.01	104.24	102.58
Break-even as % of installed capacity	44.8	44.1	43.3	42.6	41.9
Cash break-even as % of installed capacity	35.7	36.2	36.4	36.5	36.6
Break-even sales	325.72	320.38	314.60	309.34	304.44



Break-even chart at Year 3 prices and costs, scaled to full capacity. Shaded areas show the loss zone (left) and profit zone (right).

19 Financial ratios

Liquidity and leverage improve over the projection. The current ratio stays at or above 2.35, while debt-equity drops from 1.82 to zero as the term loan is repaid.

Ratio	Year 1 FY 2027-28	Year 2 FY 2028-29	Year 3 FY 2029-30	Year 4 FY 2030-31	Year 5 FY 2031-32
Current ratio	2.35	3.19	4.13	5.17	6.28
Quick ratio	1.87	2.69	3.60	4.62	5.71
Debt-equity ratio (term loan / net worth)	1.82	0.93	0.45	0.17	0.00
Total outside liabilities / net worth	2.28	1.23	0.67	0.33	0.12
Interest coverage ratio	3.12	4.39	6.44	10.26	20.61
DSCR	2.33	1.73	1.85	1.98	2.09
Gross profit margin (%)	26.3	26.7	27.0	27.3	27.5
Operating profit (EBITDA) margin (%)	17.6	18.1	18.5	18.9	19.1
Net profit margin (%)	6.4	8.1	9.6	10.9	12.0
Return on capital employed (%)	24.0	27.7	30.0	31.0	31.0
Break-even (% of installed capacity)	44.8	44.1	43.3	42.6	41.9

20 Key assumptions

- Commercial production starts in April 2027, and all assets are in use from the first year.
- Capacity utilisation of 60% in Year 1, rising to 80% by Year 5, over 300 working days a year.
- Selling price of ₹25.50 per loaf, excluding GST, held constant through the projection.
- Raw materials at 49.4% of sales, packing materials at 7.2%, power and fuel at 4.4%, and selling and distribution at 5.3%.
- Wages and salaries rise by 5% a year; repairs and administrative overheads rise by 5% a year.
- Working capital based on 15 days of raw material, 1 day of work in progress, 7 days of finished goods and 21 days of receivables, less 15 days of creditors.
- Term loan at 10.5% interest with a 6-month moratorium and 54 monthly instalments; cash credit at 11% on 75% of the working capital requirement.
- Depreciation on the written-down value method at Income Tax Act rates; income tax at a flat 25% of profit for simplicity.
- Contingency of 5% on building and machinery; preliminary and pre-operative expenses written off over five years.
- All amounts in ₹ lakh unless stated otherwise, excluding GST.

21 Conclusion

The model shows that a bread unit sized at 9,500 loaves per day can be financed 75:25 by a bank and its promoter, service its loan with an average DSCR of 2.00, and return about 25.3% a year on a project cost of ₹193.90 lakh. These are sample figures. A real project needs a report built on its own site, quotations and market.

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A Annexure: monthly loan repayment schedule

Term loan of ₹145.42 lakh at 10.5% a year. Amounts in ₹ lakh.

No.	Month	Opening balance	Interest	Principal	Instalment	Closing balance
1	Apr 2027	145.42	1.27	–	1.27	145.42
2	May 2027	145.42	1.27	–	1.27	145.42
3	Jun 2027	145.42	1.27	–	1.27	145.42
4	Jul 2027	145.42	1.27	–	1.27	145.42
5	Aug 2027	145.42	1.27	–	1.27	145.42
6	Sep 2027	145.42	1.27	–	1.27	145.42
7	Oct 2027	145.42	1.27	2.12	3.39	143.30
8	Nov 2027	143.30	1.25	2.14	3.39	141.17
9	Dec 2027	141.17	1.24	2.16	3.39	139.01
10	Jan 2028	139.01	1.22	2.17	3.39	136.84
11	Feb 2028	136.84	1.20	2.19	3.39	134.64
12	Mar 2028	134.64	1.18	2.21	3.39	132.43
13	Apr 2028	132.43	1.16	2.23	3.39	130.20
14	May 2028	130.20	1.14	2.25	3.39	127.95
15	Jun 2028	127.95	1.12	2.27	3.39	125.68
16	Jul 2028	125.68	1.10	2.29	3.39	123.38
17	Aug 2028	123.38	1.08	2.31	3.39	121.07
18	Sep 2028	121.07	1.06	2.33	3.39	118.74
19	Oct 2028	118.74	1.04	2.35	3.39	116.39
20	Nov 2028	116.39	1.02	2.37	3.39	114.02
21	Dec 2028	114.02	1.00	2.39	3.39	111.62
22	Jan 2029	111.62	0.98	2.41	3.39	109.21
23	Feb 2029	109.21	0.96	2.44	3.39	106.78
24	Mar 2029	106.78	0.93	2.46	3.39	104.32
25	Apr 2029	104.32	0.91	2.48	3.39	101.84
26	May 2029	101.84	0.89	2.50	3.39	99.34
27	Jun 2029	99.34	0.87	2.52	3.39	96.82
28	Jul 2029	96.82	0.85	2.54	3.39	94.28
29	Aug 2029	94.28	0.82	2.57	3.39	91.71
30	Sep 2029	91.71	0.80	2.59	3.39	89.12
31	Oct 2029	89.12	0.78	2.61	3.39	86.51
32	Nov 2029	86.51	0.76	2.63	3.39	83.88
33	Dec 2029	83.88	0.73	2.66	3.39	81.22
34	Jan 2030	81.22	0.71	2.68	3.39	78.54
35	Feb 2030	78.54	0.69	2.70	3.39	75.84
36	Mar 2030	75.84	0.66	2.73	3.39	73.11
37	Apr 2030	73.11	0.64	2.75	3.39	70.36
38	May 2030	70.36	0.62	2.77	3.39	67.59
39	Jun 2030	67.59	0.59	2.80	3.39	64.79

No.	Month	Opening balance	Interest	Principal	Instalment	Closing balance
40	Jul 2030	64.79	0.57	2.82	3.39	61.96
41	Aug 2030	61.96	0.54	2.85	3.39	59.11
42	Sep 2030	59.11	0.52	2.87	3.39	56.24
43	Oct 2030	56.24	0.49	2.90	3.39	53.34
44	Nov 2030	53.34	0.47	2.92	3.39	50.42
45	Dec 2030	50.42	0.44	2.95	3.39	47.47
46	Jan 2031	47.47	0.42	2.98	3.39	44.49
47	Feb 2031	44.49	0.39	3.00	3.39	41.49
48	Mar 2031	41.49	0.36	3.03	3.39	38.47
49	Apr 2031	38.47	0.34	3.05	3.39	35.41
50	May 2031	35.41	0.31	3.08	3.39	32.33
51	Jun 2031	32.33	0.28	3.11	3.39	29.22
52	Jul 2031	29.22	0.26	3.13	3.39	26.09
53	Aug 2031	26.09	0.23	3.16	3.39	22.93
54	Sep 2031	22.93	0.20	3.19	3.39	19.74
55	Oct 2031	19.74	0.17	3.22	3.39	16.52
56	Nov 2031	16.52	0.14	3.25	3.39	13.27
57	Dec 2031	13.27	0.12	3.27	3.39	10.00
58	Jan 2032	10.00	0.09	3.30	3.39	6.69
59	Feb 2032	6.69	0.06	3.33	3.39	3.36
60	Mar 2032	3.36	0.03	3.36	3.39	–