



AN ISO 9001 : 2015 CERTIFIED COMPANY

Detailed project report

Sample edition

Projections from FY 2027-28

Project report

# Masala Powder

Installed capacity 790 kg per day

Sector Spices

Total project cost ₹131.77 lakh

**Illustrative sample**  
Figures are representative

## Project at a glance

Masala Powder  
790 kg per day

| Product                | Masala Powder       | Sector                  | Spices                   |
|------------------------|---------------------|-------------------------|--------------------------|
| Installed capacity     | 790 kg per day      | Annual capacity         | 2,37,000 kg per year     |
| Selling price (ex-GST) | ₹216 per kg         | Working days            | 300 a year               |
| Manpower               | 9 people            | Plant and machinery     | ₹62.51 lakh              |
| Total project cost     | <b>₹131.77 lakh</b> | Promoter's contribution | ₹32.94 lakh (25%)        |
| Term loan              | ₹98.83 lakh (75%)   | Cash credit limit       | ₹30.88 lakh              |
| Revenue, Year 3        | ₹358.34 lakh at 70% | Net profit, Year 3      | ₹37.24 lakh              |
| Return on investment   | <b>28.3% a year</b> | Break-even, Year 3      | <b>36.4% of capacity</b> |
| Average DSCR           | <b>2.13</b>         | Payback period          | 3.1 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

This sample report sets out the techno-economic case for a unit making masala powder. The model plant has an installed capacity of 790 kg per day, which works out to 2,37,000 kg per year over 300 working days. Its applications range from everyday household cooking to export to Indian grocery stores abroad.

The projections cover the first five years of operation, starting FY 2027-28. By Year 3 the plant runs at 70% of capacity, with revenue of ₹358.34 lakh and a net profit of ₹37.24 lakh.

## 2 Uses and applications

The product is bought for these main uses:

- Everyday household cooking
- Hotels, restaurants and caterers
- Snack, namkeen and ready-meal makers
- Export to Indian grocery stores abroad

## 3 Market potential

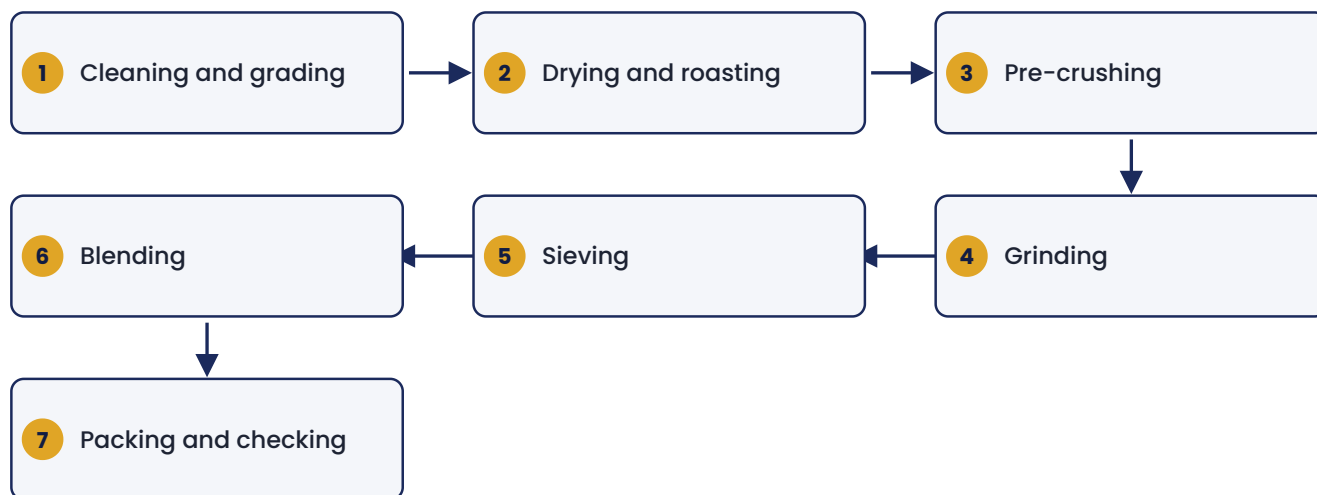
Blended masalas such as garam, sambhar, chhole and biryani masala sell on a taste that stays the same from batch to batch, which homes and restaurants rarely get from loose spices. National brands lead in large cities, while regional brands compete on local recipes, lower prices and close ties with distributors in their own districts. Private-label packing for retail chains and bulk supply to hotels and food makers keep the plant busy between retail orders.

Typical buyers include masala distributors and wholesalers; kirana stores and supermarkets; retail chains buying private-label masala; hotels, restaurants and caterers; snack, namkeen and ready-meal makers; and spice exporters.

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 masala powder follows seven main steps, from cleaning and grading to packing and checking. The flow chart shows how material moves through the plant.



Process flow for masala powder

- 1 Cleaning and grading.** Whole spices pass through a destoner and sieves to remove stones, stalks, dust and damaged seed.
- 2 Drying and roasting.** Spices are dried to low moisture and seeds such as coriander and cumin are lightly roasted to bring out aroma.
- 3 Pre-crushing.** Hard spices such as turmeric fingers and cinnamon are broken into small pieces so the pulveriser grinds them evenly.
- 4 Grinding.** A pulveriser with air cooling grinds each spice to a fine powder while keeping the temperature low to hold the volatile oils.
- 5 Sieving.** A vibro sifter separates powder of the set mesh size and sends coarse particles back for regrinding.
- 6 Blending.** Ground spices are weighed to each masala recipe and mixed in a ribbon blender until the colour is even.
- 7 Packing and checking.** Masala is filled in laminated pouches by weight, passed through a metal detector and batch coded.

## 5 Raw materials

The plant uses dry red chilli; coriander seed; cumin seed; turmeric fingers; black pepper, cardamom, cloves and cinnamon; and salt, dry mango, fenugreek and other ingredients. Raw material purchases in Year 3 are estimated at ₹197.36 lakh, which is 55.1% of sales. The split by material is shown below.

| Raw material                                     | Share of cost | Year 3 cost (₹ lakh) |
|--------------------------------------------------|---------------|----------------------|
| Dry red chilli                                   | 25.0%         | 49.34                |
| Coriander seed                                   | 22.0%         | 43.42                |
| Cumin seed                                       | 15.0%         | 29.60                |
| Turmeric fingers                                 | 13.0%         | 25.66                |
| Black pepper, cardamom, cloves and cinnamon      | 18.0%         | 35.52                |
| Salt, dry mango, fenugreek and other ingredients | 7.0%          | 13.82                |
| <b>Total raw materials</b>                       | <b>100.0%</b> | <b>197.36</b>        |

## 6 Plant and machinery

Plant and machinery for the model unit is estimated at ₹62.51 lakh, before the contingency allowance. The pulveriser with cyclone and dust collector is the largest single item. A full NPCS report adds specifications and supplier names for each machine.

| Machinery and equipment                    | Indicative cost (₹ lakh) |
|--------------------------------------------|--------------------------|
| Destoner and grading machine               | 5.00                     |
| Spice roaster                              | 5.00                     |
| Pre-crusher                                | 3.75                     |
| Pulveriser with cyclone and dust collector | 16.25                    |
| Vibro sifter                               | 4.38                     |
| Ribbon blender                             | 5.63                     |
| Automatic pouch packing machines           | 15.00                    |
| Metal detector                             | 3.75                     |
| Quality control lab                        | 3.75                     |
| <b>Total plant and machinery</b>           | <b>62.51</b>             |

## 7 Land, building and utilities

The model includes land and site development of ₹11.25 lakh and building and civil works of ₹34.30 lakh, covering the production shed, raw material and finished goods stores, and an office. Other fixed assets such as electrification, furniture, laboratory equipment and a DG set add ₹5.61 lakh.

Power and fuel cost ₹7.16 lakh in Year 3, about 2% of sales. Water is needed for cleaning, domestic use and, where the process calls for it, production.

## 8 Manpower

The unit employs 9 people. Wages and salaries come to ₹15.96 lakh in Year 1 and are assumed to rise by 5% a year.

| Category                                   | Number   | Monthly wage (₹) | Annual cost (₹ lakh) |
|--------------------------------------------|----------|------------------|----------------------|
| Management, supervision and administration | 1        | 27,000           | 3.24                 |
| Skilled workers and operators              | 3        | 17,000           | 6.12                 |
| Semi-skilled and unskilled workers         | 5        | 11,000           | 6.60                 |
| <b>Total (Year 1)</b>                      | <b>9</b> |                  | <b>15.96</b>         |

## 9 Licences and approvals

The main registrations and approvals for a unit like this are listed below. They differ from state to state, so check the current requirements with the relevant departments.

- 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 licence for a plant making 101 kg to 2 MT a day
- Legal Metrology registration as a packer of packaged commodities
- Spices Board CRES certificate for exporting
- Label declaring minimum spice content under the FSSAI mixed masala standard

## 10 Project cost and means of finance

Project cost is estimated at ₹131.77 lakh, including fixed assets of ₹118.51 lakh and margin money for working capital of ₹10.30 lakh.

| Cost of project                                                        | ₹ lakh        |
|------------------------------------------------------------------------|---------------|
| Land and site development                                              | 11.25         |
| Building and civil works                                               | 34.30         |
| Plant and machinery                                                    | 62.51         |
| Other fixed assets (electrification, furniture, lab equipment, DG set) | 5.61          |
| Contingencies                                                          | 4.84          |
| Preliminary and pre-operative expenses                                 | 2.96          |
| Margin money for working capital                                       | 10.30         |
| <b>Total cost of project</b>                                           | <b>131.77</b> |

### Means of finance

Funding follows a 75:25 split between bank loan and promoter's contribution, with a term loan of ₹98.83 lakh and promoter funds of ₹32.94 lakh. The bank also provides a cash credit limit of ₹30.88 lakh for working capital.

| Source of funds                                         | ₹ lakh        |
|---------------------------------------------------------|---------------|
| Promoter's contribution (25%)                           | 32.94         |
| Term loan from bank (75%)                               | 98.83         |
| <b>Total means of finance</b>                           | <b>131.77</b> |
| <i>Cash credit limit for working capital (separate)</i> | <i>30.88</i>  |

## 11 Working capital

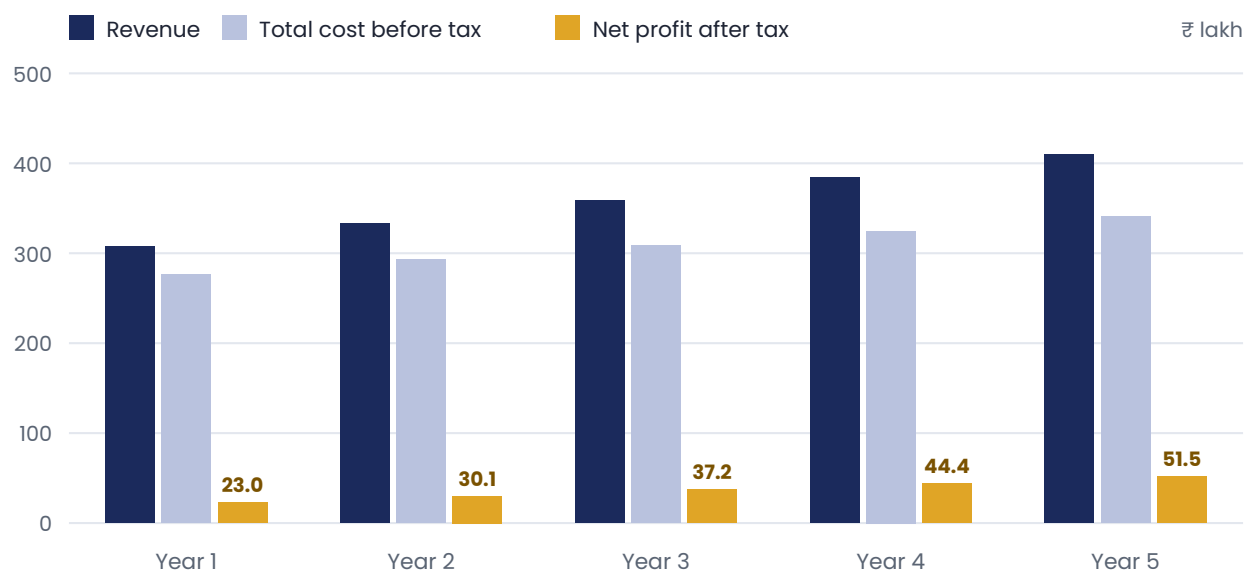
The unit needs ₹41.18 lakh of working capital in Year 1, based on 30 days of raw material stock, 15 days of finished goods and 30 days of customer credit, net of 15 days of supplier credit. Of this, ₹30.88 lakh comes from the bank and ₹10.30 lakh from the promoter.

| Particulars (₹ lakh)               | Year 1<br>FY 2027-28 | Year 2<br>FY 2028-29 | Year 3<br>FY 2029-30 | Year 4<br>FY 2030-31 | Year 5<br>FY 2031-32 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Raw material stock (30 days)       | 13.90                | 15.06                | 16.22                | 17.38                | 18.54                |
| Work in progress (2 days)          | 1.05                 | 1.13                 | 1.22                 | 1.30                 | 1.39                 |
| Finished goods (15 days)           | 8.88                 | 9.60                 | 10.31                | 11.03                | 11.75                |
| Trade receivables (30 days)        | 25.25                | 27.35                | 29.45                | 31.56                | 33.66                |
| <b>Total current assets</b>        | <b>49.08</b>         | <b>53.14</b>         | <b>57.20</b>         | <b>61.27</b>         | <b>65.34</b>         |
| Less: trade creditors (15 days)    | 7.90                 | 8.56                 | 9.22                 | 9.88                 | 10.54                |
| <b>Working capital requirement</b> | <b>41.18</b>         | <b>44.58</b>         | <b>47.98</b>         | <b>51.39</b>         | <b>54.80</b>         |

## 12 Projected profitability

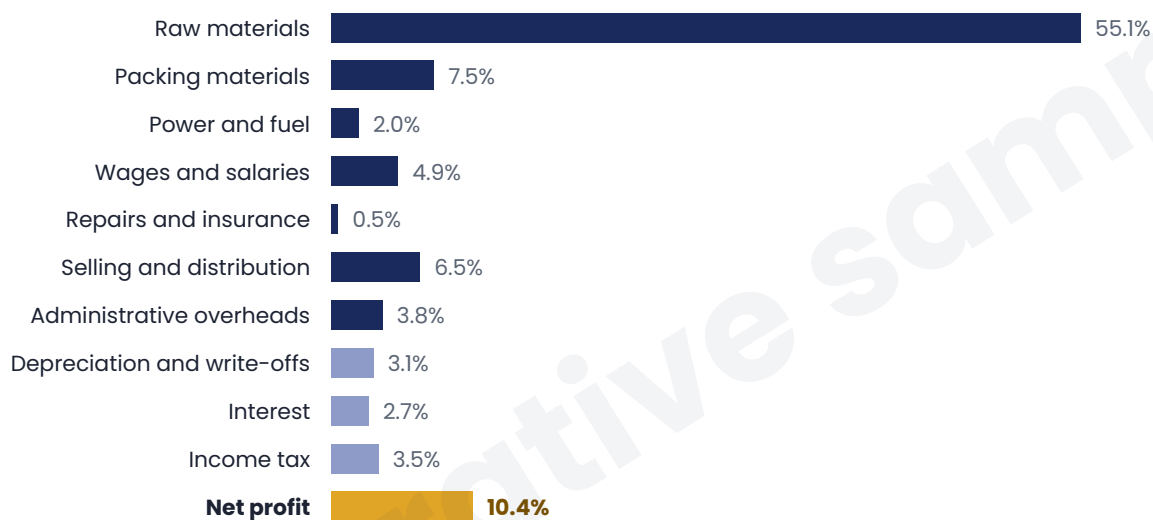
The unit is profitable from the first year, with a net profit of ₹22.96 lakh on sales of ₹307.15 lakh. By Year 5 sales reach ₹409.54 lakh and net profit ₹51.50 lakh, giving an average net margin of 10.2% across the projection.

| Particulars (₹ lakh)              | Year 1<br>FY 2027-28 | Year 2<br>FY 2028-29 | Year 3<br>FY 2029-30 | Year 4<br>FY 2030-31 | Year 5<br>FY 2031-32 |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Capacity utilisation (%)          | 60%                  | 65%                  | 70%                  | 75%                  | 80%                  |
| Revenue from operations           | 307.15               | 332.75               | 358.34               | 383.94               | 409.54               |
| Raw materials consumed            | 169.16               | 183.26               | 197.36               | 211.45               | 225.55               |
| Packing materials                 | 23.15                | 25.08                | 27.01                | 28.94                | 30.87                |
| Power and fuel                    | 6.14                 | 6.65                 | 7.16                 | 7.67                 | 8.18                 |
| Wages and salaries                | 15.96                | 16.76                | 17.60                | 18.48                | 19.40                |
| Repairs and maintenance           | 1.25                 | 1.31                 | 1.38                 | 1.45                 | 1.52                 |
| Insurance                         | 0.43                 | 0.43                 | 0.43                 | 0.43                 | 0.43                 |
| Cost of production                | 216.09               | 233.49               | 250.94               | 268.42               | 285.95               |
| <b>Gross profit</b>               | <b>91.06</b>         | <b>99.26</b>         | <b>107.40</b>        | <b>115.52</b>        | <b>123.59</b>        |
| Selling and distribution expenses | 20.04                | 21.71                | 23.37                | 25.04                | 26.71                |
| Administrative overheads          | 12.21                | 12.82                | 13.46                | 14.13                | 14.84                |
| <b>Operating profit (EBITDA)</b>  | <b>58.81</b>         | <b>64.73</b>         | <b>70.57</b>         | <b>76.35</b>         | <b>82.04</b>         |
| Depreciation                      | 14.01                | 12.11                | 10.49                | 9.08                 | 7.87                 |
| Preliminary expenses written off  | 0.59                 | 0.59                 | 0.59                 | 0.59                 | 0.60                 |
| Interest on term loan             | 10.19                | 8.55                 | 6.44                 | 4.11                 | 1.51                 |
| Interest on cash credit           | 3.40                 | 3.40                 | 3.40                 | 3.40                 | 3.40                 |
| <b>Profit before tax</b>          | <b>30.62</b>         | <b>40.08</b>         | <b>49.65</b>         | <b>59.17</b>         | <b>68.66</b>         |
| Income tax                        | 7.66                 | 10.02                | 12.41                | 14.79                | 17.16                |
| <b>Profit after tax</b>           | <b>22.96</b>         | <b>30.06</b>         | <b>37.24</b>         | <b>44.38</b>         | <b>51.50</b>         |



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

The cash flow statement sets out the sources and uses of funds year by year. The unit stays cash positive throughout and closes Year 5 with a cash balance of ₹130.21 lakh after meeting the loan repayments due.

| Particulars (₹ lakh)                    | Year 1<br>FY 2027-28 | Year 2<br>FY 2028-29 | Year 3<br>FY 2029-30 | Year 4<br>FY 2030-31 | Year 5<br>FY 2031-32 |
|-----------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Sources of funds</b>                 |                      |                      |                      |                      |                      |
| Promoter's contribution                 | 32.94                | –                    | –                    | –                    | –                    |
| Term loan from bank                     | 98.83                | –                    | –                    | –                    | –                    |
| Cash credit (working capital) from bank | 30.88                | –                    | –                    | –                    | –                    |
| Net profit after tax                    | 22.96                | 30.06                | 37.24                | 44.38                | 51.50                |
| Depreciation                            | 14.01                | 12.11                | 10.49                | 9.08                 | 7.87                 |
| Preliminary expenses written off        | 0.59                 | 0.59                 | 0.59                 | 0.59                 | 0.60                 |
| Increase in trade creditors             | 7.90                 | 0.66                 | 0.66                 | 0.66                 | 0.66                 |
| <b>Total sources</b>                    | <b>208.11</b>        | <b>43.42</b>         | <b>48.98</b>         | <b>54.71</b>         | <b>60.63</b>         |
| <b>Application of funds</b>             |                      |                      |                      |                      |                      |
| Fixed assets                            | 118.51               | –                    | –                    | –                    | –                    |
| Preliminary and pre-operative expenses  | 2.96                 | –                    | –                    | –                    | –                    |
| Increase in inventories                 | 23.83                | 1.96                 | 1.96                 | 1.96                 | 1.97                 |
| Increase in trade receivables           | 25.25                | 2.10                 | 2.10                 | 2.11                 | 2.10                 |
| Repayment of term loan                  | 8.83                 | 19.10                | 21.21                | 23.55                | 26.14                |
| Drawings                                | –                    | –                    | –                    | –                    | –                    |
| <b>Total application</b>                | <b>179.38</b>        | <b>23.16</b>         | <b>25.27</b>         | <b>27.62</b>         | <b>30.21</b>         |
| <b>Net cash flow</b>                    | <b>28.73</b>         | <b>20.26</b>         | <b>23.71</b>         | <b>27.09</b>         | <b>30.42</b>         |
| Opening cash balance                    | –                    | 28.73                | 48.99                | 72.70                | 99.79                |
| <b>Closing cash balance</b>             | <b>28.73</b>         | <b>48.99</b>         | <b>72.70</b>         | <b>99.79</b>         | <b>130.21</b>        |

## 14 Projected balance sheet

Over the projection, retained profits build the promoter's net worth from ₹53.53 lakh to ₹219.08 lakh, and the term loan reduces from ₹90.00 lakh to nil as it is repaid.

| As at year end (₹ lakh)              | Year 1<br>FY 2027-28 | Year 2<br>FY 2028-29 | Year 3<br>FY 2029-30 | Year 4<br>FY 2030-31 | Year 5<br>FY 2031-32 |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Liabilities</b>                   |                      |                      |                      |                      |                      |
| Promoter's capital                   | 32.94                | 32.94                | 32.94                | 32.94                | 32.94                |
| Reserves and surplus                 | 22.96                | 53.02                | 90.26                | 134.64               | 186.14               |
| Term loan                            | 90.00                | 70.90                | 49.69                | 26.14                | –                    |
| Cash credit from bank                | 30.88                | 30.88                | 30.88                | 30.88                | 30.88                |
| Trade creditors                      | 7.90                 | 8.56                 | 9.22                 | 9.88                 | 10.54                |
| <b>Total liabilities</b>             | <b>184.68</b>        | <b>196.30</b>        | <b>212.99</b>        | <b>234.48</b>        | <b>260.50</b>        |
| <b>Assets</b>                        |                      |                      |                      |                      |                      |
| Gross fixed assets                   | 118.51               | 118.51               | 118.51               | 118.51               | 118.51               |
| Less: accumulated depreciation       | (14.01)              | (26.12)              | (36.61)              | (45.69)              | (53.56)              |
| <b>Net fixed assets</b>              | <b>104.50</b>        | <b>92.39</b>         | <b>81.90</b>         | <b>72.82</b>         | <b>64.95</b>         |
| Preliminary expenses not written off | 2.37                 | 1.78                 | 1.19                 | 0.60                 | –                    |
| Inventories                          | 23.83                | 25.79                | 27.75                | 29.71                | 31.68                |
| Trade receivables                    | 25.25                | 27.35                | 29.45                | 31.56                | 33.66                |
| Cash and bank balance                | 28.73                | 48.99                | 72.70                | 99.79                | 130.21               |
| <b>Total assets</b>                  | <b>184.68</b>        | <b>196.30</b>        | <b>212.99</b>        | <b>234.48</b>        | <b>260.50</b>        |

## 15 Depreciation

Fixed assets are depreciated on the written-down value method, at 15% a year for plant and machinery, 10% for building and 10% for other assets. Land carries no depreciation.

Preliminary and pre-operative expenses are written off in equal parts over five years.

| Particulars (₹ lakh)                                        | Year 1<br>FY 2027-28 | Year 2<br>FY 2028-29 | Year 3<br>FY 2029-30 | Year 4<br>FY 2030-31 | Year 5<br>FY 2031-32 |
|-------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Building and civil works (cost ₹36.01 lakh, 10% WDV)</b> |                      |                      |                      |                      |                      |
| Opening written-down value                                  | 36.01                | 32.41                | 29.17                | 26.25                | 23.63                |
| Depreciation                                                | 3.60                 | 3.24                 | 2.92                 | 2.62                 | 2.36                 |
| Closing written-down value                                  | 32.41                | 29.17                | 26.25                | 23.63                | 21.27                |
| <b>Plant and machinery (cost ₹65.64 lakh, 15% WDV)</b>      |                      |                      |                      |                      |                      |
| Opening written-down value                                  | 65.64                | 55.79                | 47.42                | 40.31                | 34.26                |
| Depreciation                                                | 9.85                 | 8.37                 | 7.11                 | 6.05                 | 5.14                 |
| Closing written-down value                                  | 55.79                | 47.42                | 40.31                | 34.26                | 29.12                |
| <b>Other fixed assets (cost ₹5.61 lakh, 10% WDV)</b>        |                      |                      |                      |                      |                      |
| Opening written-down value                                  | 5.61                 | 5.05                 | 4.55                 | 4.09                 | 3.68                 |
| Depreciation                                                | 0.56                 | 0.50                 | 0.46                 | 0.41                 | 0.37                 |
| Closing written-down value                                  | 5.05                 | 4.55                 | 4.09                 | 3.68                 | 3.31                 |
| <b>Total depreciation</b>                                   | <b>14.01</b>         | <b>12.11</b>         | <b>10.49</b>         | <b>9.08</b>          | <b>7.87</b>          |
| Preliminary expenses written off                            | 0.59                 | 0.59                 | 0.59                 | 0.59                 | 0.60                 |

## 16 Term loan repayment

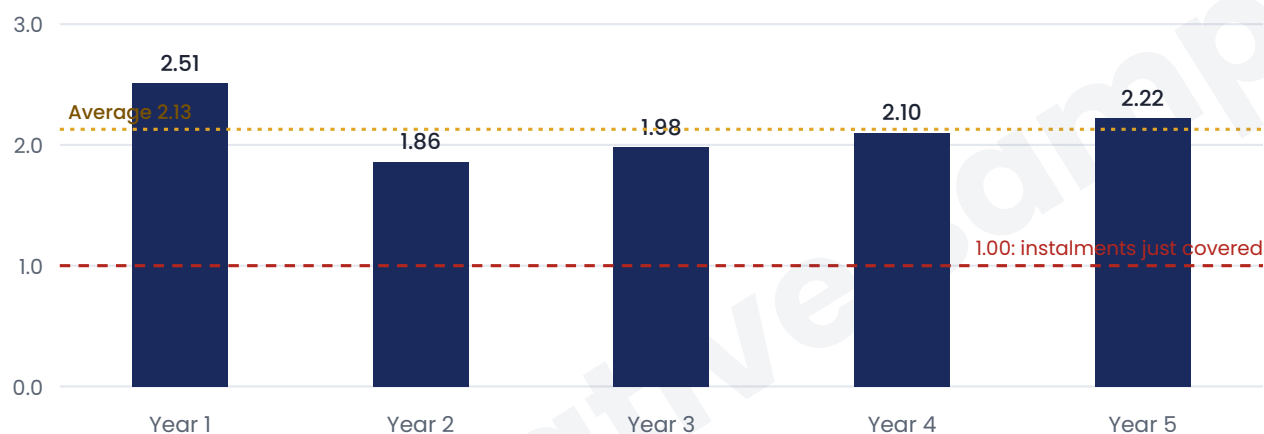
The term loan of ₹98.83 lakh carries interest at 10.5% a year. Only interest is paid during the 6-month moratorium, after which the loan is repaid in 54 equal monthly instalments of ₹2,30,434. The month-by-month schedule is in the annexure.

| Particulars (₹ lakh)   | Year 1<br>FY 2027-28 | Year 2<br>FY 2028-29 | Year 3<br>FY 2029-30 | Year 4<br>FY 2030-31 | Year 5<br>FY 2031-32 |
|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Opening balance        | 98.83                | 90.00                | 70.90                | 49.69                | 26.14                |
| Interest               | 10.19                | 8.55                 | 6.44                 | 4.11                 | 1.51                 |
| Principal repaid       | 8.83                 | 19.10                | 21.21                | 23.55                | 26.14                |
| <b>Closing balance</b> | <b>90.00</b>         | <b>70.90</b>         | <b>49.69</b>         | <b>26.14</b>         | <b>—</b>             |

## 17 Debt service coverage

The debt service coverage ratio averages 2.13 over the repayment years, with a low of 1.86 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<br>FY 2027-28 | Year 2<br>FY 2028-29 | Year 3<br>FY 2029-30 | Year 4<br>FY 2030-31 | Year 5<br>FY 2031-32 |
|---------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Net profit after tax                        | 22.96                | 30.06                | 37.24                | 44.38                | 51.50                |
| Depreciation and write-offs                 | 14.60                | 12.70                | 11.08                | 9.67                 | 8.47                 |
| Interest on term loan                       | 10.19                | 8.55                 | 6.44                 | 4.11                 | 1.51                 |
| <b>Total available for debt service (A)</b> | <b>47.75</b>         | <b>51.31</b>         | <b>54.76</b>         | <b>58.16</b>         | <b>61.48</b>         |
| Principal repayment                         | 8.83                 | 19.10                | 21.21                | 23.55                | 26.14                |
| Interest on term loan                       | 10.19                | 8.55                 | 6.44                 | 4.11                 | 1.51                 |
| <b>Total debt service (B)</b>               | <b>19.02</b>         | <b>27.65</b>         | <b>27.65</b>         | <b>27.66</b>         | <b>27.65</b>         |
| <b>DSCR (A / B)</b>                         | <b>2.51</b>          | <b>1.86</b>          | <b>1.98</b>          | <b>2.10</b>          | <b>2.22</b>          |

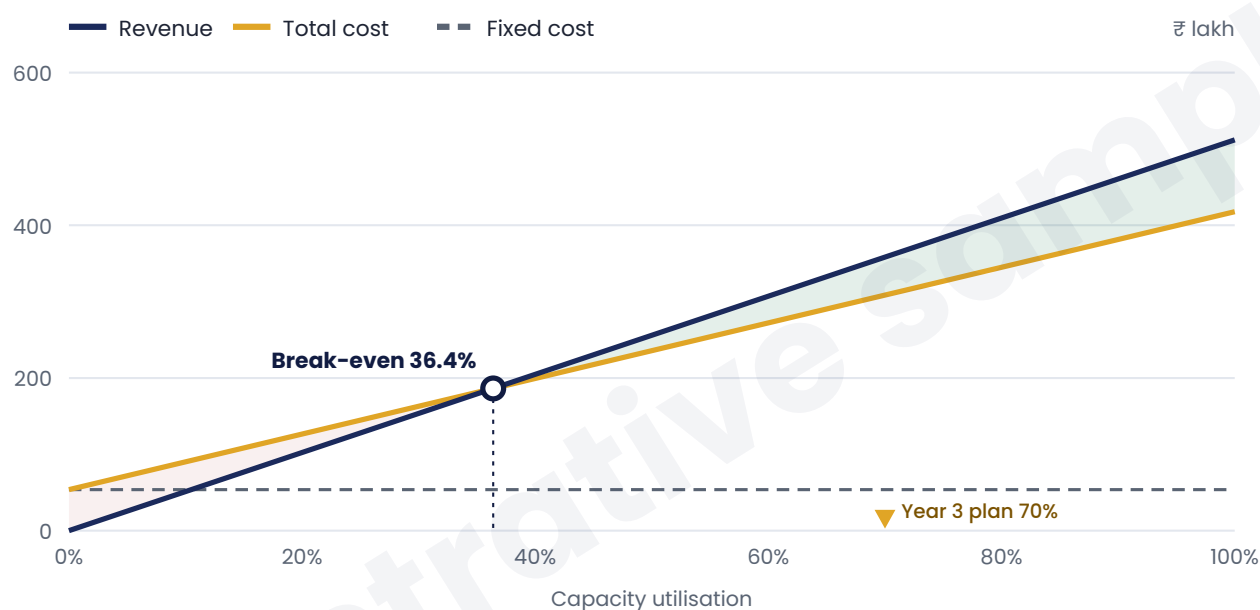


DSCR by year. A ratio above 1.00 means cash accruals cover the term loan instalments.

## 18 Break-even analysis

The break-even point in Year 3 is 36.4% of installed capacity. Below that level the unit would not cover its fixed costs, interest and depreciation; above it, each additional unit sold adds to profit. Cash break-even is lower, at 28.9%.

| Particulars (₹ lakh)                          | Year 1<br>FY 2027-28 | Year 2<br>FY 2028-29 | Year 3<br>FY 2029-30 | Year 4<br>FY 2030-31 | Year 5<br>FY 2031-32 |
|-----------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenue from operations                       | 307.15               | 332.75               | 358.34               | 383.94               | 409.54               |
| Variable costs                                | 218.49               | 236.70               | 254.90               | 273.10               | 291.31               |
| <b>Contribution</b>                           | <b>88.66</b>         | <b>96.05</b>         | <b>103.44</b>        | <b>110.84</b>        | <b>118.23</b>        |
| Fixed costs (incl. depreciation and interest) | 58.04                | 55.97                | 53.79                | 51.67                | 49.57                |
| Break-even as % of installed capacity         | 39.3                 | 37.9                 | 36.4                 | 35.0                 | 33.5                 |
| Cash break-even as % of installed capacity    | 29.4                 | 29.3                 | 28.9                 | 28.4                 | 27.8                 |
| Break-even sales                              | 201.07               | 193.90               | 186.34               | 178.98               | 171.71               |



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 2.01, while debt-equity drops from 1.68 to zero as the term loan is repaid.

| Ratio                                     | Year 1<br>FY 2027-28 | Year 2<br>FY 2028-29 | Year 3<br>FY 2029-30 | Year 4<br>FY 2030-31 | Year 5<br>FY 2031-32 |
|-------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Current ratio                             | 2.01                 | 2.59                 | 3.24                 | 3.95                 | 4.72                 |
| Quick ratio                               | 1.39                 | 1.94                 | 2.55                 | 3.22                 | 3.96                 |
| Debt-equity ratio (term loan / net worth) | 1.68                 | 0.84                 | 0.41                 | 0.16                 | 0.00                 |
| Total outside liabilities / net worth     | 2.41                 | 1.31                 | 0.74                 | 0.40                 | 0.19                 |
| Interest coverage ratio                   | 3.25                 | 4.35                 | 6.05                 | 8.88                 | 14.98                |
| DSCR                                      | 2.51                 | 1.86                 | 1.98                 | 2.10                 | 2.22                 |
| Gross profit margin (%)                   | 29.6                 | 29.8                 | 30.0                 | 30.1                 | 30.2                 |
| Operating profit (EBITDA) margin (%)      | 19.1                 | 19.5                 | 19.7                 | 19.9                 | 20.0                 |
| Net profit margin (%)                     | 7.5                  | 9.0                  | 10.4                 | 11.6                 | 12.6                 |
| Return on capital employed (%)            | 25.3                 | 28.0                 | 29.4                 | 29.8                 | 29.4                 |
| Break-even (% of installed capacity)      | 39.3                 | 37.9                 | 36.4                 | 35.0                 | 33.5                 |

## 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 ₹216 per kg, excluding GST, held constant through the projection.
- Raw materials at 55.1% of sales, packing materials at 7.5%, power and fuel at 2%, and selling and distribution at 6.5%.
- Wages and salaries rise by 5% a year; repairs and administrative overheads rise by 5% a year.
- Working capital based on 30 days of raw material, 2 days of work in progress, 15 days of finished goods and 30 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 masala powder unit sized at 790 kg per day can be financed 75:25 by a bank and its promoter, service its loan with an average DSCR of 2.13, and return about 28.3% a year on a project cost of ₹131.77 lakh. These are sample figures. A real project needs a report built on its own site, quotations and market.

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This document is a computer-generated illustrative sample. The capacity, prices, costs and projections are representative assumptions for a typical small-scale unit and are not based on any specific project, location or quotation. Statutory requirements change and vary by state. Niir Project Consultancy Services accepts no liability for decisions taken on the basis of this sample.

## A Annexure: monthly loan repayment schedule

Term loan of ₹98.83 lakh at 10.5% a year. Amounts in ₹ lakh.

| No. | Month    | Opening balance | Interest | Principal | Instalment | Closing balance |
|-----|----------|-----------------|----------|-----------|------------|-----------------|
| 1   | Apr 2027 | 98.83           | 0.86     | –         | 0.86       | 98.83           |
| 2   | May 2027 | 98.83           | 0.86     | –         | 0.86       | 98.83           |
| 3   | Jun 2027 | 98.83           | 0.86     | –         | 0.86       | 98.83           |
| 4   | Jul 2027 | 98.83           | 0.86     | –         | 0.86       | 98.83           |
| 5   | Aug 2027 | 98.83           | 0.86     | –         | 0.86       | 98.83           |
| 6   | Sep 2027 | 98.83           | 0.86     | –         | 0.86       | 98.83           |
| 7   | Oct 2027 | 98.83           | 0.86     | 1.44      | 2.30       | 97.39           |
| 8   | Nov 2027 | 97.39           | 0.85     | 1.45      | 2.30       | 95.94           |
| 9   | Dec 2027 | 95.94           | 0.84     | 1.46      | 2.30       | 94.47           |
| 10  | Jan 2028 | 94.47           | 0.83     | 1.48      | 2.30       | 93.00           |
| 11  | Feb 2028 | 93.00           | 0.81     | 1.49      | 2.30       | 91.51           |
| 12  | Mar 2028 | 91.51           | 0.80     | 1.50      | 2.30       | 90.00           |
| 13  | Apr 2028 | 90.00           | 0.79     | 1.52      | 2.30       | 88.48           |
| 14  | May 2028 | 88.48           | 0.77     | 1.53      | 2.30       | 86.95           |
| 15  | Jun 2028 | 86.95           | 0.76     | 1.54      | 2.30       | 85.41           |
| 16  | Jul 2028 | 85.41           | 0.75     | 1.56      | 2.30       | 83.85           |
| 17  | Aug 2028 | 83.85           | 0.73     | 1.57      | 2.30       | 82.28           |
| 18  | Sep 2028 | 82.28           | 0.72     | 1.58      | 2.30       | 80.70           |
| 19  | Oct 2028 | 80.70           | 0.71     | 1.60      | 2.30       | 79.10           |
| 20  | Nov 2028 | 79.10           | 0.69     | 1.61      | 2.30       | 77.49           |
| 21  | Dec 2028 | 77.49           | 0.68     | 1.63      | 2.30       | 75.86           |
| 22  | Jan 2029 | 75.86           | 0.66     | 1.64      | 2.30       | 74.22           |
| 23  | Feb 2029 | 74.22           | 0.65     | 1.65      | 2.30       | 72.57           |
| 24  | Mar 2029 | 72.57           | 0.63     | 1.67      | 2.30       | 70.90           |
| 25  | Apr 2029 | 70.90           | 0.62     | 1.68      | 2.30       | 69.21           |
| 26  | May 2029 | 69.21           | 0.61     | 1.70      | 2.30       | 67.51           |
| 27  | Jun 2029 | 67.51           | 0.59     | 1.71      | 2.30       | 65.80           |
| 28  | Jul 2029 | 65.80           | 0.58     | 1.73      | 2.30       | 64.07           |
| 29  | Aug 2029 | 64.07           | 0.56     | 1.74      | 2.30       | 62.33           |
| 30  | Sep 2029 | 62.33           | 0.55     | 1.76      | 2.30       | 60.57           |
| 31  | Oct 2029 | 60.57           | 0.53     | 1.77      | 2.30       | 58.80           |
| 32  | Nov 2029 | 58.80           | 0.51     | 1.79      | 2.30       | 57.01           |
| 33  | Dec 2029 | 57.01           | 0.50     | 1.81      | 2.30       | 55.20           |
| 34  | Jan 2030 | 55.20           | 0.48     | 1.82      | 2.30       | 53.38           |
| 35  | Feb 2030 | 53.38           | 0.47     | 1.84      | 2.30       | 51.54           |
| 36  | Mar 2030 | 51.54           | 0.45     | 1.85      | 2.30       | 49.69           |
| 37  | Apr 2030 | 49.69           | 0.43     | 1.87      | 2.30       | 47.82           |
| 38  | May 2030 | 47.82           | 0.42     | 1.89      | 2.30       | 45.93           |
| 39  | Jun 2030 | 45.93           | 0.40     | 1.90      | 2.30       | 44.03           |

| No. | Month    | Opening balance | Interest | Principal | Instalment | Closing balance |
|-----|----------|-----------------|----------|-----------|------------|-----------------|
| 40  | Jul 2030 | 44.03           | 0.39     | 1.92      | 2.30       | 42.11           |
| 41  | Aug 2030 | 42.11           | 0.37     | 1.94      | 2.30       | 40.18           |
| 42  | Sep 2030 | 40.18           | 0.35     | 1.95      | 2.30       | 38.22           |
| 43  | Oct 2030 | 38.22           | 0.33     | 1.97      | 2.30       | 36.25           |
| 44  | Nov 2030 | 36.25           | 0.32     | 1.99      | 2.30       | 34.27           |
| 45  | Dec 2030 | 34.27           | 0.30     | 2.00      | 2.30       | 32.26           |
| 46  | Jan 2031 | 32.26           | 0.28     | 2.02      | 2.30       | 30.24           |
| 47  | Feb 2031 | 30.24           | 0.26     | 2.04      | 2.30       | 28.20           |
| 48  | Mar 2031 | 28.20           | 0.25     | 2.06      | 2.30       | 26.14           |
| 49  | Apr 2031 | 26.14           | 0.23     | 2.08      | 2.30       | 24.07           |
| 50  | May 2031 | 24.07           | 0.21     | 2.09      | 2.30       | 21.97           |
| 51  | Jun 2031 | 21.97           | 0.19     | 2.11      | 2.30       | 19.86           |
| 52  | Jul 2031 | 19.86           | 0.17     | 2.13      | 2.30       | 17.73           |
| 53  | Aug 2031 | 17.73           | 0.16     | 2.15      | 2.30       | 15.58           |
| 54  | Sep 2031 | 15.58           | 0.14     | 2.17      | 2.30       | 13.41           |
| 55  | Oct 2031 | 13.41           | 0.12     | 2.19      | 2.30       | 11.23           |
| 56  | Nov 2031 | 11.23           | 0.10     | 2.21      | 2.30       | 9.02            |
| 57  | Dec 2031 | 9.02            | 0.08     | 2.23      | 2.30       | 6.79            |
| 58  | Jan 2032 | 6.79            | 0.06     | 2.24      | 2.30       | 4.55            |
| 59  | Feb 2032 | 4.55            | 0.04     | 2.26      | 2.30       | 2.28            |
| 60  | Mar 2032 | 2.28            | 0.02     | 2.28      | 2.30       | –               |