AN ISO 9001 : 2015 CERTIFIED COMPANY

Detailed project report
Sample edition
Projections from FY 2027-28

Project report

# Medium Density Fiberboard

Installed capacity 81 cubic metres per day
Sector Engineered wood panel
Total project cost ₹4,306.71 lakh

**Illustrative sample**
Figures are representative

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# Project at a glance

Medium Density Fiberboard
81 cubic metres per day

| | | | |
|---|---|---|---|
| Product | Medium Density Fiberboard | Sector | Engineered wood panel |
| Installed capacity | 81 cubic metres per day | Annual capacity | 26,730 cubic metres per year |
| Selling price (ex-GST) | ₹30,400 per cubic metre | Working days | 330 a year |
| Manpower | 132 people | Plant and machinery | ₹2,250.82 lakh |
| Total project cost | **₹4,306.71 lakh** | Promoter's contribution | ₹1,076.68 lakh (25%) |
| Term loan | ₹3,230.03 lakh (75%) | Cash credit limit | ₹554.30 lakh |
| Revenue, Year 3 | ₹5,688.14 lakh at 70% | Net profit, Year 3 | ₹695.42 lakh |
| Return on investment | **16.1% a year** | Break-even, Year 3 | **40.2% of capacity** |
| Average DSCR | **2.16** | Payback period | 4.1 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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Illustrative sample

# 1 Introduction

The project modelled here is a unit producing medium density fiberboard in the engineered wood panel sector, sized at 81 cubic metres per day. Working 330 days a year, the plant can turn out 26,730 cubic metres per year at full capacity. The product's applications range from modular furniture and kitchen cabinets to display units and shop fittings.

The sections that follow show how such a unit would be costed and financed, and how its profit, cash flow and loan repayment would look over the first five years. At 70% capacity utilisation in Year 3, the model unit earns revenue of ₹5,688.14 lakh and a net profit of ₹695.42 lakh.

# 2 Uses and applications

The main applications and markets for the product are:

- Modular furniture and kitchen cabinets
- Wardrobes and door shutters
- Wall panelling and interior partitions
- Base board for laminates and veneers
- Display units and shop fittings

# 3 Market potential

Demand for medium density fiberboard comes from modular furniture makers, kitchen and wardrobe fabricators and interior contractors, who use it in place of plywood for shutters, panels and routed designs. Boards are heavy for their value, so a plant competes best within a few hundred kilometres of its dealers and furniture clusters. Steady density, tight thickness tolerance and low formaldehyde emission decide whether dealers and furniture makers keep buying.

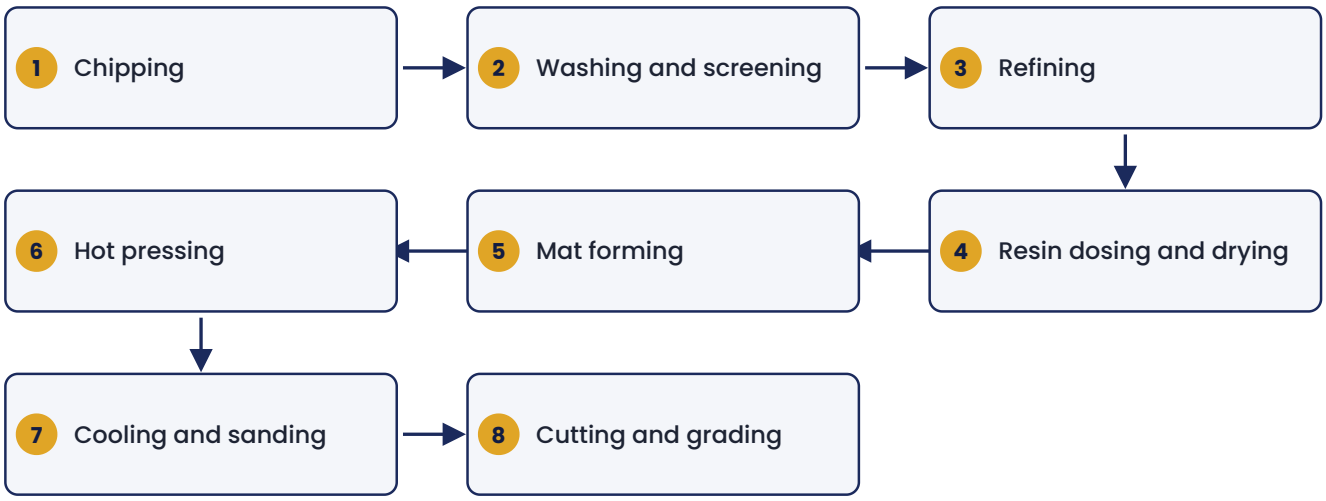
Typical buyers include modular furniture and kitchen manufacturers; plywood, laminate and hardware dealers; interior and fit-out contractors; door shutter and panel makers; and pre-lamination and veneering units.

For a real project, the market survey is redone for the chosen location, covering present demand, expected growth and the existing manufacturers nearby.

Illustrative sample

# 4 Manufacturing process

Production of medium density fiberboard follows eight main steps, from chipping to cutting and grading. The flow chart shows how material moves through the plant.




Process flow for medium density fiberboard

1. **Chipping.** Debarked plantation logs are cut into uniform wood chips in a drum chipper.
2. **Washing and screening.** Chips are washed and screened to remove sand, bark and oversize pieces that damage refiner plates.
3. **Refining.** Chips are softened with steam in a preheater and ground into fine fibre between rotating refiner plates.
4. **Resin dosing and drying.** Urea formaldehyde resin and wax are sprayed into the fibre in the blow line and the fibre is dried in a flash dryer.
5. **Mat forming.** Dried fibre is laid into an even mat of set weight and compacted in a pre-press.
6. **Hot pressing.** The mat is pressed under heat in a multi-daylight press until the resin cures into a board of target density.
7. **Cooling and sanding.** Boards are cooled on star coolers and sanded on both faces to exact thickness.
8. **Cutting and grading.** Boards are cut to 8 by 4 feet and other sizes, checked for density and thickness, graded and stacked.

Illustrative sample

# 5 Raw materials

The plant uses plantation wood such as eucalyptus and poplar, urea formaldehyde resin, paraffin wax emulsion, and hardener and additives. Raw material purchases in Year 3 are estimated at ₹2,428.32 lakh, which is 42.7% of sales. The split by material is shown below.

| Raw material | Share of cost | Year 3 cost (₹ lakh) |
|---|---|---|
| Plantation wood such as eucalyptus and poplar | 55.0% | 1,335.58 |
| Urea formaldehyde resin | 38.0% | 922.76 |
| Paraffin wax emulsion | 4.0% | 97.13 |
| Hardener and additives | 3.0% | 72.85 |
| **Total raw materials** | **100.0%** | **2,428.32** |

# 6 Plant and machinery

Plant and machinery for the model unit is estimated at ₹2,250.82 lakh, before the contingency allowance. The multi-daylight hot press with loader and unloader is the largest single item. A full NPCS report adds specifications and supplier names for each machine.

| Machinery and equipment | Indicative cost (₹ lakh) |
|---|---|
| Debarker and drum chipper | 180.07 |
| Chip washer and screens | 112.54 |
| Pressurised refiner with preheater | 450.16 |
| Resin blending and blow-line system | 135.05 |
| Fibre flash dryer with cyclones | 225.08 |
| Mat forming station and pre-press | 225.08 |
| Multi-daylight hot press with loader and unloader | 562.70 |
| Thermic fluid heater and energy plant | 180.07 |
| Cooling, sanding and cut-to-size line | 180.07 |
| **Total plant and machinery** | **2,250.82** |

# 7 Land, building and utilities

The model includes land and site development of ₹266.05 lakh and building and civil works of ₹1,054.96 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 ₹284.28 lakh.

Utilities in Year 3 cost ₹716.42 lakh for power and fuel, or 12.6% of sales. The plant also needs a reliable water supply for cleaning and domestic use, and for the process where required.

Illustrative sample

# 8 Manpower

A team of 132 runs the plant, from management and supervision to skilled operators and helpers. The Year 1 wage bill is ₹283.80 lakh, rising 5% a year.

| Category | Number | Monthly wage (₹) | Annual cost (₹ lakh) |
|---|---|---|---|
| Management, supervision and administration | 20 | 30,500 | 73.20 |
| Skilled workers and operators | 46 | 19,500 | 107.64 |
| Semi-skilled and unskilled workers | 66 | 13,000 | 102.96 |
| **Total (Year 1)** | **132** | | **283.80** |

# 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
- BIS certification to IS 12406 under the Wood Based Boards (Quality Control) Order 2023
- Registration with the State Forest Department under state wood-based industries rules, where applicable

Illustrative sampl

# 10 Project cost and means of finance

The total cost of the project is ₹4,306.71 lakh. Fixed assets account for ₹4,021.40 lakh, and the balance covers preliminary and pre-operative expenses and the promoter's margin money for working capital. A contingency of 5% is provided on building and machinery.

| Cost of project | ₹ lakh |
|---|---|
| Land and site development | 266.05 |
| Building and civil works | 1,054.96 |
| Plant and machinery | 2,250.82 |
| Other fixed assets (electrification, furniture, lab equipment, DG set) | 284.28 |
| Contingencies | 165.29 |
| Preliminary and pre-operative expenses | 100.54 |
| Margin money for working capital | 184.77 |
| **Total cost of project** | **4,306.71** |

## Means of finance

The project is financed 75:25 between bank debt and the promoter's own funds. A term loan covers ₹3,230.03 lakh and the promoter brings in ₹1,076.68 lakh. Separately, a cash credit limit of ₹554.30 lakh finances 75% of the working capital requirement.

| Source of funds | ₹ lakh |
|---|---|
| Promoter's contribution (25%) | 1,076.68 |
| Term loan from bank (75%) | 3,230.03 |
| **Total means of finance** | **4,306.71** |
| *Cash credit limit for working capital (separate)* | *554.30* |

Illustrative sample

# 11 Working capital

The unit needs ₹739.07 lakh of working capital in Year 1, based on 30 days of raw material stock, 15 days of finished goods and 45 days of customer credit, net of 30 days of supplier credit. Of this, ₹554.30 lakh comes from the bank and ₹184.77 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 (30 days) | 171.08 | 185.33 | 199.59 | 213.84 | 228.10 |
| Work in progress (2 days) | 16.32 | 17.63 | 18.95 | 20.26 | 21.58 |
| Finished goods (15 days) | 128.17 | 138.34 | 148.56 | 158.80 | 169.09 |
| Trade receivables (45 days) | 601.10 | 651.19 | 701.28 | 751.37 | 801.46 |
| **Total current assets** | **916.67** | **992.49** | **1,068.38** | **1,144.27** | **1,220.23** |
| Less: trade creditors (30 days) | 177.60 | 192.40 | 207.20 | 222.00 | 236.80 |
| **Working capital requirement** | **739.07** | **800.09** | **861.18** | **922.27** | **983.43** |

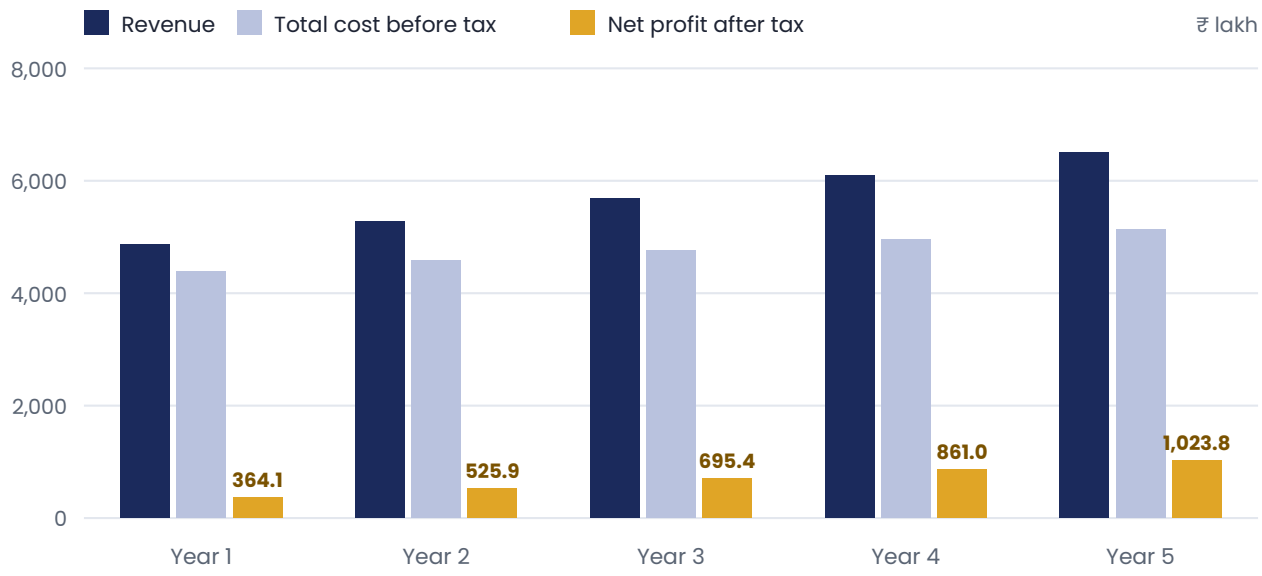
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# 12 Projected profitability

The unit is profitable from the first year, with a net profit of ₹364.13 lakh on sales of ₹4,875.55 lakh. By Year 5 sales reach ₹6,500.74 lakh and net profit ₹1,023.80 lakh, giving an average net margin of 11.9% across the projection.

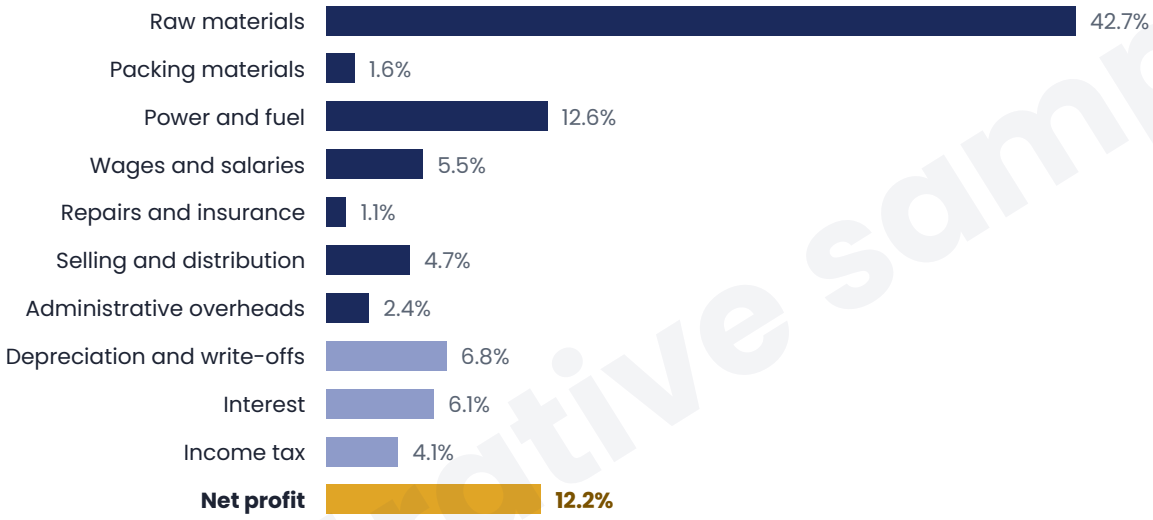
| Particulars (₹ lakh) | Year 1 FY 2027-28 | Year 2 FY 2028-29 | Year 3 FY 2029-30 | Year 4 FY 2030-31 | Year 5 FY 2031-32 |
|---|---|---|---|---|---|
| *Capacity utilisation (%)* | *60%* | *65%* | *70%* | *75%* | *80%* |
| **Revenue from operations** | **4,875.55** | **5,281.85** | **5,688.14** | **6,094.44** | **6,500.74** |
| Raw materials consumed | 2,081.42 | 2,254.87 | 2,428.32 | 2,601.78 | 2,775.23 |
| Packing materials | 79.37 | 85.99 | 92.60 | 99.22 | 105.83 |
| Power and fuel | 614.08 | 665.25 | 716.42 | 767.59 | 818.77 |
| Wages and salaries | 283.80 | 297.99 | 312.89 | 328.53 | 344.96 |
| Repairs and maintenance | 45.02 | 47.27 | 49.63 | 52.11 | 54.72 |
| Insurance | 15.02 | 15.02 | 15.02 | 15.02 | 15.02 |
| **Cost of production** | **3,118.71** | **3,366.39** | **3,614.88** | **3,864.25** | **4,114.53** |
| **Gross profit** | **1,756.84** | **1,915.46** | **2,073.26** | **2,230.19** | **2,386.21** |
| Selling and distribution expenses | 231.20 | 250.47 | 269.73 | 289.00 | 308.27 |
| Administrative overheads | 126.20 | 132.51 | 139.13 | 146.09 | 153.39 |
| **Operating profit (EBITDA)** | **1,399.44** | **1,532.48** | **1,664.40** | **1,795.10** | **1,924.55** |
| Depreciation | 493.70 | 426.60 | 368.88 | 319.18 | 276.38 |
| Preliminary expenses written off | 20.11 | 20.11 | 20.11 | 20.11 | 20.10 |
| Interest on term loan | 339.15 | 323.57 | 287.21 | 246.84 | 202.03 |
| Interest on cash credit | 60.97 | 60.97 | 60.97 | 60.97 | 60.97 |
| **Profit before tax** | **485.51** | **701.23** | **927.23** | **1,148.00** | **1,365.07** |
| Income tax | 121.38 | 175.31 | 231.81 | 287.00 | 341.27 |
| **Profit after tax** | **364.13** | **525.92** | **695.42** | **861.00** | **1,023.80** |

Illustrative sample




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

Illustrative sample

# 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 ₹3,656.74 lakh after meeting the loan repayments due.

| 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 | 1,076.68 | – | – | – | – |
| Term loan from bank | 3,230.03 | – | – | – | – |
| Cash credit (working capital) from bank | 554.30 | – | – | – | – |
| Net profit after tax | 364.13 | 525.92 | 695.42 | 861.00 | 1,023.80 |
| Depreciation | 493.70 | 426.60 | 368.88 | 319.18 | 276.38 |
| Preliminary expenses written off | 20.11 | 20.11 | 20.11 | 20.11 | 20.10 |
| Increase in trade creditors | 177.60 | 14.80 | 14.80 | 14.80 | 14.80 |
| **Total sources** | **5,916.55** | **987.43** | **1,099.21** | **1,215.09** | **1,335.08** |
| **Application of funds** | | | | | |
| Fixed assets | 4,021.40 | – | – | – | – |
| Preliminary and pre-operative expenses | 100.54 | – | – | – | – |
| Increase in inventories | 315.57 | 25.73 | 25.80 | 25.80 | 25.87 |
| Increase in trade receivables | 601.10 | 50.09 | 50.09 | 50.09 | 50.09 |
| Repayment of term loan | – | 329.95 | 366.32 | 406.68 | 451.50 |
| Drawings | – | – | – | – | – |
| **Total application** | 5,038.61 | 405.77 | 442.21 | 482.57 | 527.46 |
| **Net cash flow** | **877.94** | **581.66** | **657.00** | **732.52** | **807.62** |
| Opening cash balance | – | 877.94 | 1,459.60 | 2,116.60 | 2,849.12 |
| **Closing cash balance** | **877.94** | **1,459.60** | **2,116.60** | **2,849.12** | **3,656.74** |

Illustrative sample

# 14 Projected balance sheet

The projected balance sheet balances in every year. Net worth grows from ₹1,360.38 lakh at the end of Year 1 to ₹4,546.95 lakh at the end of Year 5, while the term loan outstanding falls from ₹3,230.03 lakh to ₹1,675.58 lakh.

| 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 | 1,076.68 | 1,076.68 | 1,076.68 | 1,076.68 | 1,076.68 |
| Reserves and surplus | 364.13 | 890.05 | 1,585.47 | 2,446.47 | 3,470.27 |
| Term loan | 3,230.03 | 2,900.08 | 2,533.76 | 2,127.08 | 1,675.58 |
| Cash credit from bank | 554.30 | 554.30 | 554.30 | 554.30 | 554.30 |
| Trade creditors | 177.60 | 192.40 | 207.20 | 222.00 | 236.80 |
| **Total liabilities** | **5,402.74** | **5,613.51** | **5,957.41** | **6,426.53** | **7,013.63** |
| **Assets** | | | | | |
| Gross fixed assets | 4,021.40 | 4,021.40 | 4,021.40 | 4,021.40 | 4,021.40 |
| Less: accumulated depreciation | (493.70) | (920.30) | (1,289.18) | (1,608.36) | (1,884.74) |
| **Net fixed assets** | **3,527.70** | **3,101.10** | **2,732.22** | **2,413.04** | **2,136.66** |
| Preliminary expenses not written off | 80.43 | 60.32 | 40.21 | 20.10 | – |
| Inventories | 315.57 | 341.30 | 367.10 | 392.90 | 418.77 |
| Trade receivables | 601.10 | 651.19 | 701.28 | 751.37 | 801.46 |
| Cash and bank balance | 877.94 | 1,459.60 | 2,116.60 | 2,849.12 | 3,656.74 |
| **Total assets** | **5,402.74** | **5,613.51** | **5,957.41** | **6,426.53** | **7,013.63** |

Illustrative sample

# 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 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 ₹1,107.71 lakh, 10% WDV) | | | | | |
| Opening written-down value | 1,107.71 | 996.94 | 897.25 | 807.53 | 726.78 |
| Depreciation | 110.77 | 99.69 | 89.72 | 80.75 | 72.68 |
| **Closing written-down value** | **996.94** | **897.25** | **807.53** | **726.78** | **654.10** |
| Plant and machinery (cost ₹2,363.36 lakh, 15% WDV) | | | | | |
| Opening written-down value | 2,363.36 | 2,008.86 | 1,707.53 | 1,451.40 | 1,233.69 |
| Depreciation | 354.50 | 301.33 | 256.13 | 217.71 | 185.05 |
| **Closing written-down value** | **2,008.86** | **1,707.53** | **1,451.40** | **1,233.69** | **1,048.64** |
| Other fixed assets (cost ₹284.28 lakh, 10% WDV) | | | | | |
| Opening written-down value | 284.28 | 255.85 | 230.27 | 207.24 | 186.52 |
| Depreciation | 28.43 | 25.58 | 23.03 | 20.72 | 18.65 |
| **Closing written-down value** | **255.85** | **230.27** | **207.24** | **186.52** | **167.87** |
| **Total depreciation** | **493.70** | **426.60** | **368.88** | **319.18** | **276.38** |
| Preliminary expenses written off | 20.11 | 20.11 | 20.11 | 20.11 | 20.10 |

# 16 Term loan repayment

The term loan of ₹3,230.03 lakh carries interest at 10.5% a year. Only interest is paid during the 12-month moratorium, after which the loan is repaid in 84 equal monthly instalments of ₹54,46,048. 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 | 3,230.03 | 3,230.03 | 2,900.08 | 2,533.76 | 2,127.08 |
| Interest | 339.15 | 323.57 | 287.21 | 246.84 | 202.03 |
| Principal repaid | – | 329.95 | 366.32 | 406.68 | 451.50 |
| **Closing balance** | **3,230.03** | **2,900.08** | **2,533.76** | **2,127.08** | **1,675.58** |

Illustrative sample

# 17 Debt service coverage

Cash available for debt service covers the term loan instalments 2.16 times on average, and never less than 1.98 times (Year 2).

| 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 | 364.13 | 525.92 | 695.42 | 861.00 | 1,023.80 |
| Depreciation and write-offs | 513.81 | 446.71 | 388.99 | 339.29 | 296.48 |
| Interest on term loan | 339.15 | 323.57 | 287.21 | 246.84 | 202.03 |
| **Total available for debt service (A)** | **1,217.09** | **1,296.20** | **1,371.62** | **1,447.13** | **1,522.31** |
| Principal repayment | – | 329.95 | 366.32 | 406.68 | 451.50 |
| Interest on term loan | 339.15 | 323.57 | 287.21 | 246.84 | 202.03 |
| **Total debt service (B)** | **339.15** | **653.52** | **653.53** | **653.52** | **653.53** |
| DSCR (A / B) | – | 1.98 | 2.10 | 2.21 | 2.33 |



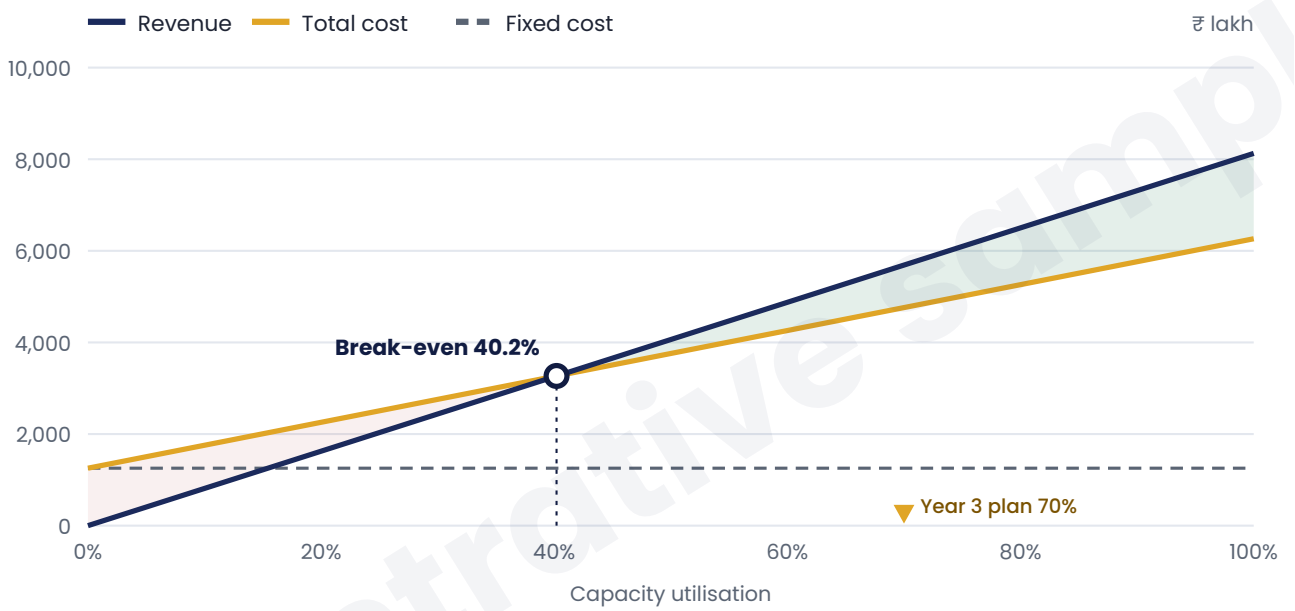

DSCR by year. A ratio above 1.00 means cash accruals cover the term loan instalments.

Illustrative sample

# 18 Break-even analysis

The break-even point in Year 3 is 40.2% 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 27.8%.

| 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 | 4,875.55 | 5,281.85 | 5,688.14 | 6,094.44 | 6,500.74 |
| Variable costs | 3,006.07 | 3,256.58 | 3,507.07 | 3,757.59 | 4,008.10 |
| **Contribution** | **1,869.48** | **2,025.27** | **2,181.07** | **2,336.85** | **2,492.64** |
| Fixed costs (incl. depreciation and interest) | 1,383.97 | 1,324.04 | 1,253.84 | 1,188.85 | 1,127.57 |
| Break-even as % of installed capacity | 44.4 | 42.5 | 40.2 | 38.2 | 36.2 |
| Cash break-even as % of installed capacity | 27.9 | 28.2 | 27.8 | 27.3 | 26.7 |
| Break-even sales | 3,609.35 | 3,453.06 | 3,269.96 | 3,100.49 | 2,940.67 |




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

Illustrative sample

# 19 Financial ratios

Liquidity and leverage improve over the projection. The current ratio stays at or above 2.45, while debt-equity drops from 2.37 to 0.37 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 | 2.45 | 3.28 | 4.18 | 5.14 | 6.16 |
| Quick ratio | 2.02 | 2.83 | 3.70 | 4.64 | 5.64 |
| Debt-equity ratio (term loan / net worth) | 2.37 | 1.52 | 0.97 | 0.61 | 0.37 |
| Total outside liabilities / net worth | 2.91 | 1.91 | 1.26 | 0.83 | 0.54 |
| Interest coverage ratio | 2.21 | 2.82 | 3.66 | 4.73 | 6.19 |
| DSCR | – | 1.98 | 2.10 | 2.21 | 2.33 |
| Gross profit margin (%) | 36.0 | 36.3 | 36.4 | 36.6 | 36.7 |
| Operating profit (EBITDA) margin (%) | 28.7 | 29.0 | 29.3 | 29.5 | 29.6 |
| Net profit margin (%) | 7.5 | 10.0 | 12.2 | 14.1 | 15.7 |
| Return on capital employed (%) | 17.2 | 20.3 | 22.3 | 23.5 | 24.0 |
| Break-even (% of installed capacity) | 44.4 | 42.5 | 40.2 | 38.2 | 36.2 |

# 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 330 working days a year.
- Selling price of ₹30,400 per cubic metre, excluding GST, held constant through the projection.
- Raw materials at 42.7% of sales, packing materials at 1.6%, power and fuel at 12.6%, and selling and distribution at 4.7%.
- 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 45 days of receivables, less 30 days of creditors.
- Term loan at 10.5% interest with a 12-month moratorium and 84 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.

Illustrative sample

# 21 Conclusion

The model shows that a medium density fiberboard unit sized at 81 cubic metres per day can be financed 75:25 by a bank and its promoter, service its loan with an average DSCR of 2.16, and return about 16.1% a year on a project cost of ₹4,306.71 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.

Illustrative sample

# A Annexure: monthly loan repayment schedule

Term loan of ₹3,230.03 lakh at 10.5% a year. Amounts in ₹ lakh.

| No. | Month | Opening balance | Interest | Principal | Instalment | Closing balance |
|---|---|---|---|---|---|---|
| 1 | Apr 2027 | 3,230.03 | 28.26 | – | 28.26 | 3,230.03 |
| 2 | May 2027 | 3,230.03 | 28.26 | – | 28.26 | 3,230.03 |
| 3 | Jun 2027 | 3,230.03 | 28.26 | – | 28.26 | 3,230.03 |
| 4 | Jul 2027 | 3,230.03 | 28.26 | – | 28.26 | 3,230.03 |
| 5 | Aug 2027 | 3,230.03 | 28.26 | – | 28.26 | 3,230.03 |
| 6 | Sep 2027 | 3,230.03 | 28.26 | – | 28.26 | 3,230.03 |
| 7 | Oct 2027 | 3,230.03 | 28.26 | – | 28.26 | 3,230.03 |
| 8 | Nov 2027 | 3,230.03 | 28.26 | – | 28.26 | 3,230.03 |
| 9 | Dec 2027 | 3,230.03 | 28.26 | – | 28.26 | 3,230.03 |
| 10 | Jan 2028 | 3,230.03 | 28.26 | – | 28.26 | 3,230.03 |
| 11 | Feb 2028 | 3,230.03 | 28.26 | – | 28.26 | 3,230.03 |
| 12 | Mar 2028 | 3,230.03 | 28.26 | – | 28.26 | 3,230.03 |
| 13 | Apr 2028 | 3,230.03 | 28.26 | 26.20 | 54.46 | 3,203.83 |
| 14 | May 2028 | 3,203.83 | 28.03 | 26.43 | 54.46 | 3,177.41 |
| 15 | Jun 2028 | 3,177.41 | 27.80 | 26.66 | 54.46 | 3,150.75 |
| 16 | Jul 2028 | 3,150.75 | 27.57 | 26.89 | 54.46 | 3,123.86 |
| 17 | Aug 2028 | 3,123.86 | 27.33 | 27.13 | 54.46 | 3,096.73 |
| 18 | Sep 2028 | 3,096.73 | 27.10 | 27.36 | 54.46 | 3,069.36 |
| 19 | Oct 2028 | 3,069.36 | 26.86 | 27.60 | 54.46 | 3,041.76 |
| 20 | Nov 2028 | 3,041.76 | 26.62 | 27.85 | 54.46 | 3,013.92 |
| 21 | Dec 2028 | 3,013.92 | 26.37 | 28.09 | 54.46 | 2,985.83 |
| 22 | Jan 2029 | 2,985.83 | 26.13 | 28.33 | 54.46 | 2,957.49 |
| 23 | Feb 2029 | 2,957.49 | 25.88 | 28.58 | 54.46 | 2,928.91 |
| 24 | Mar 2029 | 2,928.91 | 25.63 | 28.83 | 54.46 | 2,900.08 |
| 25 | Apr 2029 | 2,900.08 | 25.38 | 29.08 | 54.46 | 2,870.99 |
| 26 | May 2029 | 2,870.99 | 25.12 | 29.34 | 54.46 | 2,841.65 |
| 27 | Jun 2029 | 2,841.65 | 24.86 | 29.60 | 54.46 | 2,812.06 |
| 28 | Jul 2029 | 2,812.06 | 24.61 | 29.85 | 54.46 | 2,782.20 |
| 29 | Aug 2029 | 2,782.20 | 24.34 | 30.12 | 54.46 | 2,752.09 |
| 30 | Sep 2029 | 2,752.09 | 24.08 | 30.38 | 54.46 | 2,721.71 |
| 31 | Oct 2029 | 2,721.71 | 23.81 | 30.65 | 54.46 | 2,691.06 |
| 32 | Nov 2029 | 2,691.06 | 23.55 | 30.91 | 54.46 | 2,660.15 |
| 33 | Dec 2029 | 2,660.15 | 23.28 | 31.18 | 54.46 | 2,628.96 |
| 34 | Jan 2030 | 2,628.96 | 23.00 | 31.46 | 54.46 | 2,597.51 |
| 35 | Feb 2030 | 2,597.51 | 22.73 | 31.73 | 54.46 | 2,565.77 |
| 36 | Mar 2030 | 2,565.77 | 22.45 | 32.01 | 54.46 | 2,533.76 |
| 37 | Apr 2030 | 2,533.76 | 22.17 | 32.29 | 54.46 | 2,501.47 |
| 38 | May 2030 | 2,501.47 | 21.89 | 32.57 | 54.46 | 2,468.90 |
| 39 | Jun 2030 | 2,468.90 | 21.60 | 32.86 | 54.46 | 2,436.04 |
| 40 | Jul 2030 | 2,436.04 | 21.32 | 33.15 | 54.46 | 2,402.90 |
| 41 | Aug 2030 | 2,402.90 | 21.03 | 33.44 | 54.46 | 2,369.46 |
| 42 | Sep 2030 | 2,369.46 | 20.73 | 33.73 | 54.46 | 2,335.74 |
| 43 | Oct 2030 | 2,335.74 | 20.44 | 34.02 | 54.46 | 2,301.71 |
| 44 | Nov 2030 | 2,301.71 | 20.14 | 34.32 | 54.46 | 2,267.39 |
| 45 | Dec 2030 | 2,267.39 | 19.84 | 34.62 | 54.46 | 2,232.77 |
| 46 | Jan 2031 | 2,232.77 | 19.54 | 34.92 | 54.46 | 2,197.85 |
| 47 | Feb 2031 | 2,197.85 | 19.23 | 35.23 | 54.46 | 2,162.62 |
| 48 | Mar 2031 | 2,162.62 | 18.92 | 35.54 | 54.46 | 2,127.08 |

Illustrative sample

| No. | Month | Opening balance | Interest | Principal | Instalment | Closing balance |
|---|---|---|---|---|---|---|
| 49 | Apr 2031 | 2,127.08 | 18.61 | 35.85 | 54.46 | 2,091.23 |
| 50 | May 2031 | 2,091.23 | 18.30 | 36.16 | 54.46 | 2,055.07 |
| 51 | Jun 2031 | 2,055.07 | 17.98 | 36.48 | 54.46 | 2,018.59 |
| 52 | Jul 2031 | 2,018.59 | 17.66 | 36.80 | 54.46 | 1,981.79 |
| 53 | Aug 2031 | 1,981.79 | 17.34 | 37.12 | 54.46 | 1,944.67 |
| 54 | Sep 2031 | 1,944.67 | 17.02 | 37.44 | 54.46 | 1,907.23 |
| 55 | Oct 2031 | 1,907.23 | 16.69 | 37.77 | 54.46 | 1,869.46 |
| 56 | Nov 2031 | 1,869.46 | 16.36 | 38.10 | 54.46 | 1,831.36 |
| 57 | Dec 2031 | 1,831.36 | 16.02 | 38.44 | 54.46 | 1,792.92 |
| 58 | Jan 2032 | 1,792.92 | 15.69 | 38.77 | 54.46 | 1,754.15 |
| 59 | Feb 2032 | 1,754.15 | 15.35 | 39.11 | 54.46 | 1,715.04 |
| 60 | Mar 2032 | 1,715.04 | 15.01 | 39.45 | 54.46 | 1,675.58 |
| 61 | Apr 2032 | 1,675.58 | 14.66 | 39.80 | 54.46 | 1,635.78 |
| 62 | May 2032 | 1,635.78 | 14.31 | 40.15 | 54.46 | 1,595.63 |
| 63 | Jun 2032 | 1,595.63 | 13.96 | 40.50 | 54.46 | 1,555.14 |
| 64 | Jul 2032 | 1,555.14 | 13.61 | 40.85 | 54.46 | 1,514.28 |
| 65 | Aug 2032 | 1,514.28 | 13.25 | 41.21 | 54.46 | 1,473.07 |
| 66 | Sep 2032 | 1,473.07 | 12.89 | 41.57 | 54.46 | 1,431.50 |
| 67 | Oct 2032 | 1,431.50 | 12.53 | 41.93 | 54.46 | 1,389.57 |
| 68 | Nov 2032 | 1,389.57 | 12.16 | 42.30 | 54.46 | 1,347.26 |
| 69 | Dec 2032 | 1,347.26 | 11.79 | 42.67 | 54.46 | 1,304.59 |
| 70 | Jan 2033 | 1,304.59 | 11.42 | 43.05 | 54.46 | 1,261.55 |
| 71 | Feb 2033 | 1,261.55 | 11.04 | 43.42 | 54.46 | 1,218.13 |
| 72 | Mar 2033 | 1,218.13 | 10.66 | 43.80 | 54.46 | 1,174.32 |
| 73 | Apr 2033 | 1,174.32 | 10.28 | 44.19 | 54.46 | 1,130.14 |
| 74 | May 2033 | 1,130.14 | 9.89 | 44.57 | 54.46 | 1,085.57 |
| 75 | Jun 2033 | 1,085.57 | 9.50 | 44.96 | 54.46 | 1,040.60 |
| 76 | Jul 2033 | 1,040.60 | 9.11 | 45.36 | 54.46 | 995.25 |
| 77 | Aug 2033 | 995.25 | 8.71 | 45.75 | 54.46 | 949.50 |
| 78 | Sep 2033 | 949.50 | 8.31 | 46.15 | 54.46 | 903.35 |
| 79 | Oct 2033 | 903.35 | 7.90 | 46.56 | 54.46 | 856.79 |
| 80 | Nov 2033 | 856.79 | 7.50 | 46.96 | 54.46 | 809.83 |
| 81 | Dec 2033 | 809.83 | 7.09 | 47.37 | 54.46 | 762.45 |
| 82 | Jan 2034 | 762.45 | 6.67 | 47.79 | 54.46 | 714.66 |
| 83 | Feb 2034 | 714.66 | 6.25 | 48.21 | 54.46 | 666.45 |
| 84 | Mar 2034 | 666.45 | 5.83 | 48.63 | 54.46 | 617.83 |
| 85 | Apr 2034 | 617.83 | 5.41 | 49.05 | 54.46 | 568.77 |
| 86 | May 2034 | 568.77 | 4.98 | 49.48 | 54.46 | 519.29 |
| 87 | Jun 2034 | 519.29 | 4.54 | 49.92 | 54.46 | 469.37 |
| 88 | Jul 2034 | 469.37 | 4.11 | 50.35 | 54.46 | 419.02 |
| 89 | Aug 2034 | 419.02 | 3.67 | 50.79 | 54.46 | 368.22 |
| 90 | Sep 2034 | 368.22 | 3.22 | 51.24 | 54.46 | 316.98 |
| 91 | Oct 2034 | 316.98 | 2.77 | 51.69 | 54.46 | 265.30 |
| 92 | Nov 2034 | 265.30 | 2.32 | 52.14 | 54.46 | 213.16 |
| 93 | Dec 2034 | 213.16 | 1.87 | 52.60 | 54.46 | 160.56 |
| 94 | Jan 2035 | 160.56 | 1.40 | 53.06 | 54.46 | 107.51 |
| 95 | Feb 2035 | 107.51 | 0.94 | 53.52 | 54.46 | 53.99 |
| 96 | Mar 2035 | 53.99 | 0.47 | 53.99 | 54.46 | – |

Illustrative sample