SAMPLE FINANCIAL PROJECTIONS & FINANCIAL MODEL

Illustrative Manufacturing Project - Selected Schedules & Analysis

INDICATIVE SAMPLE ONLY

This document contains fictitious assumptions and selected illustrative schedules. It is designed only to demonstrate the presentation and analytical scope of a customised financial modelling assignment.

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Professional Fee for Financial Modelling Services: Starting from INR 25,000
Payment terms: 30% advance and 70% after submission of the first draft.

IMPORTANT NOTICE

About This Indicative Sample

This sample has been created to demonstrate the type of analysis and schedules that may be included in a customised financial modelling engagement.

Not a complete client report

The figures, assumptions, project profile and financial outcomes in this document are fictitious. This sample must not be used for bank submission, investor solicitation, valuation, tax planning, legal documentation or any commercial decision.

Selected Contents

Selected Section	Purpose
Executive Dashboard	Quick view of project economics and key financial indicators
Operating Assumptions	Capacity, utilisation, selling price and cost assumptions
Project Cost & Means of Finance	Illustrative capital requirement and funding structure
Projected Profit & Loss	Revenue, EBITDA, finance cost and profitability
Projected Balance Sheet	Assets, debt, working capital and net worth
Projected Cash Flow	Operating cash generation, debt repayment and cash movement
Working Capital Assessment	Inventory, receivables, creditors and bank funding
Loan Repayment Schedule	Term loan, interest and principal repayment
DSCR Analysis	Debt repayment capacity over the loan tenure
Break-Even / ROI / IRR / Payback	Project viability and investment return indicators
Sensitivity & Scenario Analysis	Impact of changes in important assumptions
Key Ratios & Closing Notes	Summary and scope of customised assignment

Customised engagement

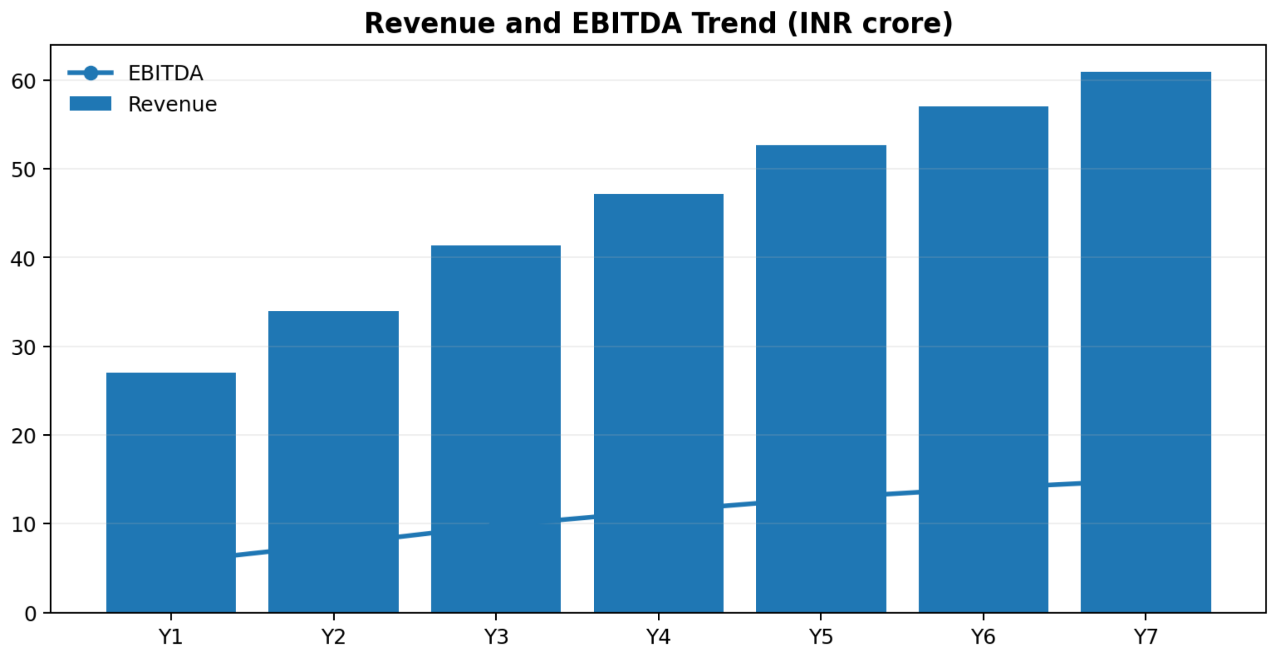
Actual financial models may contain more or fewer schedules depending on project size, business model, lender or investor requirements, available data, number of products, funding structure and the purpose of the assignment.

EXECUTIVE DASHBOARD

Illustrative Project Snapshot

A compact summary of the major assumptions and model outputs. All amounts are in INR crore unless otherwise stated.

18.50 Total Project Cost Illustrative capital requirement	**12.00** Term Loan Proposed project debt	**6.50** Promoter Contribution Illustrative promoter funding
27.1% Project IRR Based on sample project cash flows	**3.5 years** Payback Approximate capital recovery	**14.5%** Revenue CAGR Y1 to Y7



Indicator	Y1	Y3	Y5	Y7
Revenue	27.00	41.38	52.67	60.90
EBITDA	5.64	9.79	12.88	14.91
PAT	2.09	5.54	8.29	10.26
EBITDA Margin	20.9%	23.7%	24.5%	24.5%

OPERATING ASSUMPTIONS

Key Inputs Used in the Illustrative Model

The reliability of a financial model depends on transparent operating assumptions rather than arbitrary growth percentages.

Assumption	Y1	Y2	Y3	Y4	Y5	Y6	Y7
Installed Capacity (MT)	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Capacity Utilisation	45%	55%	65%	72%	78%	82%	85%
Average Selling Price (INR/MT)	60,000	61,800	63,654	65,564	67,531	69,556	71,643
Revenue (INR crore)	27.00	33.99	41.38	47.21	52.67	57.04	60.90
Raw Material / Revenue	59.0%	59.0%	59.0%	59.0%	59.0%	59.0%	59.0%
Other Variable Cost / Revenue	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Tax Rate	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%

Revenue Build-Up Logic

Revenue Driver	Illustrative Logic
Installed capacity	10,000 MT per annum
Capacity ramp-up	45% in Y1 rising to 85% in Y7
Selling price	INR 60,000 per MT in Y1 with 3% annual escalation
Revenue model	Capacity x utilisation x selling price
Product mix	Single consolidated product stream in this sample
Cost model	Raw material and variable expenses linked to revenue; fixed overheads escalated separately

Illustrative modelling principle

In a real assignment, revenue may be built product-wise, customer-wise, capacity-wise, store-wise, contract-wise or using other business-specific drivers.

CAPITAL PLANNING

Project Cost & Means of Finance

Illustrative project cost is matched with the proposed long-term funding structure.

Project Cost Component	INR crore
Land	1.50
Site development	0.40
Building & civil works	3.00
Plant & machinery	9.20
Utilities	1.10
Electrical & installation	0.80
Pre-operative expenses	0.60
Contingency	0.70
Margin for working capital	1.20
Total Project Cost	18.50

Means of Finance	INR crore	Share
Promoter Contribution	6.50	35.1%
Term Loan	12.00	64.9%
Total	18.50	100.0%

Funding Assumptions

Funding Consideration	Illustrative Treatment
Term loan interest	10.5% per annum on declining balance
Principal moratorium	No principal repayment in Y1
Principal repayment	INR 2.00 crore annually from Y2 to Y7
Working capital facility	Modelled separately from long-term project cost
Promoter contribution	INR 6.50 crore toward project cost; source verification not included in this sample

Important

Actual lender norms, margin requirements, security, moratorium, repayment structure and interest rate are subject to the concerned bank or financial institution.

PROJECTED FINANCIAL STATEMENTS

Projected Profit & Loss Account

The P&L; schedule links sales, operating costs, depreciation, finance cost and taxation.

Particulars	Y1	Y2	Y3	Y4	Y5	Y6	Y7
Revenue	27.00	33.99	41.38	47.21	52.67	57.04	60.90
Raw material cost	15.93	20.05	24.41	27.85	31.08	33.65	35.93
Other variable costs	2.43	3.06	3.72	4.25	4.74	5.13	5.48
Employee cost	1.70	1.84	1.98	2.14	2.31	2.50	2.70
Administrative cost	0.85	0.91	0.97	1.04	1.11	1.19	1.28
Repairs & maintenance	0.45	0.47	0.50	0.52	0.55	0.57	0.60
EBITDA	5.64	7.66	9.79	11.40	12.88	13.99	14.91
EBITDA Margin	20.9%	22.5%	23.7%	24.2%	24.5%	24.5%	24.5%
Depreciation	1.30	1.20	1.10	1.00	0.90	0.80	0.70
Finance cost	1.56	1.49	1.30	1.12	0.93	0.72	0.53
Profit Before Tax	2.78	4.97	7.38	9.28	11.06	12.46	13.69
Tax	0.70	1.24	1.85	2.32	2.76	3.12	3.42
Profit After Tax	2.09	3.73	5.54	6.96	8.29	9.35	10.26
Net Profit Margin	7.7%	11.0%	13.4%	14.7%	15.7%	16.4%	16.9%

Interpretation

Revenue increases as capacity utilisation improves. EBITDA margin expands from about 20.9% in Y1 to about 24.5% in Y7 as fixed overheads are absorbed over a larger revenue base.

PROJECTED FINANCIAL STATEMENTS

Projected Balance Sheet

Illustrative balance sheet showing debt reduction, accumulated reserves, working capital and liquidity.

Particulars	Y1	Y2	Y3	Y4	Y5	Y6	Y7
Net Fixed Assets	14.70	13.50	12.40	11.40	10.50	9.70	9.00
Other Non-current Assets	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Inventory	2.26	2.85	3.47	3.96	4.42	4.78	5.11
Trade Receivables	2.59	3.26	3.97	4.53	5.05	5.47	5.84
Other Current Assets	0.35	0.37	0.39	0.41	0.43	0.45	0.47
Cash & Bank	4.04	6.36	10.23	15.63	22.11	29.59	37.96
Total Assets	24.84	27.24	31.36	36.82	43.40	50.89	59.27
Equity Share Capital	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Reserves & Surplus	2.09	5.82	11.35	18.31	26.60	35.95	46.21
Term Loan	12.00	10.00	8.00	6.00	4.00	2.00	0.00
Working Capital Borrowing	2.50	2.80	3.00	3.20	3.20	3.10	3.00
Trade Creditors	1.31	1.65	2.01	2.29	2.55	2.77	2.95
Other Current Liabilities	0.45	0.47	0.50	0.52	0.55	0.57	0.60
Total Equity & Liabilities	24.84	27.24	31.36	36.82	43.40	50.89	59.27

Balance sheet linkage

The illustrative model accumulates profit in reserves and reduces term debt through scheduled principal repayments. Cash is the balancing output of the integrated cash flow model.

PROJECTED FINANCIAL STATEMENTS

Projected Cash Flow Statement

Cash flow highlights operating cash generation, working capital movements and debt repayment.

Particulars	Y1	Y2	Y3	Y4	Y5	Y6	Y7
Opening Cash	2.40	4.04	6.36	10.23	15.63	22.11	29.59
Profit After Tax	2.09	3.73	5.54	6.96	8.29	9.35	10.26
Add: Depreciation	1.30	1.20	1.10	1.00	0.90	0.80	0.70
Less: Increase in Operating NWC	2.24	0.91	0.96	0.76	0.71	0.57	0.50
Cash Flow from Operations	1.14	4.02	5.67	7.20	8.48	9.58	10.46
Term Loan Principal Repayment	-0.00	-2.00	-2.00	-2.00	-2.00	-2.00	-2.00
Change in WC Borrowing	0.50	0.30	0.20	0.20	0.00	-0.10	-0.10
Net Financing Cash Flow	0.50	-1.70	-1.80	-1.80	-2.00	-2.10	-2.10
Net Change in Cash	1.64	2.32	3.87	5.40	6.48	7.48	8.36
Closing Cash	4.04	6.36	10.23	15.63	22.11	29.59	37.96

Cash Conversion Commentary

The sample demonstrates why profitability and cash flow should not be viewed as the same thing. Growth increases inventory and receivables, while debt repayment consumes cash even when the project remains profitable.

WORKING CAPITAL

Working Capital Assessment

Operating cycle assumptions are linked to revenue and cost levels, allowing working capital to scale with the business.

Particulars	Y1	Y2	Y3	Y4	Y5	Y6	Y7
Inventory	2.26	2.85	3.47	3.96	4.42	4.78	5.11
Trade Receivables	2.59	3.26	3.97	4.53	5.05	5.47	5.84
Other Current Assets	0.35	0.37	0.39	0.41	0.43	0.45	0.47
Less: Trade Creditors	1.31	1.65	2.01	2.29	2.55	2.77	2.95
Less: Other Current Liabilities	0.45	0.47	0.50	0.52	0.55	0.57	0.60
Operating Net Working Capital	3.44	4.36	5.32	6.08	6.79	7.36	7.86
Working Capital Borrowing	2.50	2.80	3.00	3.20	3.20	3.10	3.00
Current Ratio	2.17x	2.61x	3.28x	4.08x	5.08x	6.26x	7.53x

Operating Cycle Inputs

Operating Cycle Assumption	Illustrative Level
Inventory holding	45 days of variable production / operating cost
Receivable period	35 days of revenue
Creditor period	30 days of raw-material purchases
Other current assets / liabilities	Escalated with scale of operations
Bank working capital	Illustrative facility varies with projected requirement

Why it matters

A project can be profitable and still face liquidity stress if inventory or receivables absorb more cash than anticipated. Working capital should therefore be modelled with the growth plan.

DEBT SCHEDULE

Term Loan Repayment & Interest

Illustrative declining-balance loan schedule with a one-year principal moratorium.

Particulars	Y1	Y2	Y3	Y4	Y5	Y6	Y7
Opening Term Loan	12.00	12.00	10.00	8.00	6.00	4.00	2.00
Principal Repayment	0.00	2.00	2.00	2.00	2.00	2.00	2.00
Closing Term Loan	12.00	10.00	8.00	6.00	4.00	2.00	0.00
Term Loan Interest	1.26	1.16	0.94	0.73	0.53	0.32	0.10
WC Interest	0.30	0.33	0.36	0.39	0.40	0.41	0.42
Total Finance Cost	1.56	1.49	1.30	1.12	0.93	0.72	0.53

Debt Structure Notes

Parameter	Illustrative Assumption
Initial term loan	INR 12.00 crore
Interest rate	10.5% per annum on declining balance
Principal moratorium	Y1
Principal repayment	INR 2.00 crore annually from Y2 to Y7
Working capital interest	Modelled separately based on projected borrowing

No sanction assurance

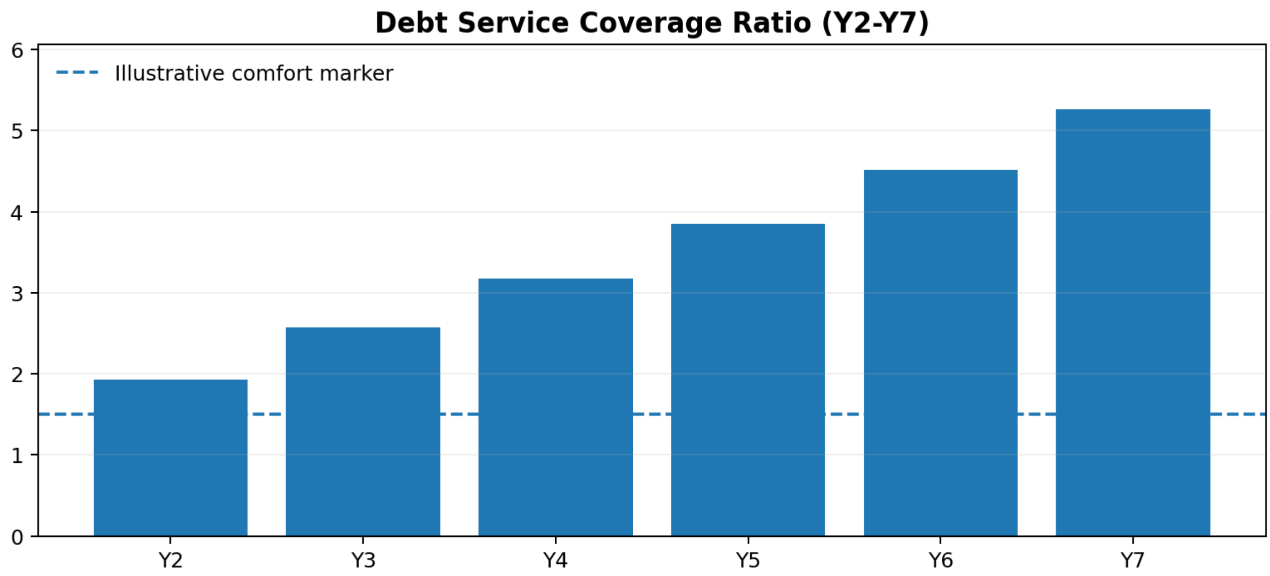
The sample financial model does not represent a bank sanction or an assurance that any lender will approve the illustrated debt structure.

DEBT CAPACITY

DSCR & Repayment Capacity

DSCR compares cash accrual available for debt service with principal and interest obligations.

Particulars	Y1	Y2	Y3	Y4	Y5	Y6	Y7
Profit After Tax	2.09	3.73	5.54	6.96	8.29	9.35	10.26
Depreciation	1.30	1.20	1.10	1.00	0.90	0.80	0.70
Term Loan Interest	1.26	1.16	0.94	0.73	0.53	0.32	0.10
Cash Accrual for DSCR	4.65	6.09	7.58	8.69	9.72	10.46	11.07
Principal Repayment	0.00	2.00	2.00	2.00	2.00	2.00	2.00
Term Loan Interest	1.26	1.16	0.94	0.73	0.53	0.32	0.10
Debt Service	1.26	3.16	2.94	2.73	2.52	2.31	2.10
DSCR	3.69x	1.93x	2.57x	3.18x	3.85x	4.52x	5.26x



Illustrative reading

Y2 is the tightest repayment year in this sample, with DSCR of approximately 1.93x. Coverage improves as revenue and cash accrual increase while term debt declines.

PROJECT VIABILITY

Break-Even, ROI, IRR & Payback

Return indicators supplement profitability and debt-service analysis when evaluating a capital-intensive project.

38.5% Break-Even Capacity Illustrative operating threshold	**35.7%** Average ROI Average PAT / project cost	**27.1%** Project IRR Based on illustrative FCFF
3.5 years Payback Approximate cumulative recovery	**24.5%** Y7 EBITDA Margin Operating profitability	**3.55x** Avg. DSCR Y2-Y7

Metric	Illustrative Interpretation
Break-Even Capacity	Approximate capacity utilisation required to cover operating fixed and variable costs.
ROI	Relates profitability to capital invested.
Project IRR	Time-value based return measure using project cash flows.
Payback Period	Approximate time required for cumulative project cash flows to recover initial investment.
DSCR	Tests whether cash accrual is sufficient for principal and interest obligations.

Use multiple indicators

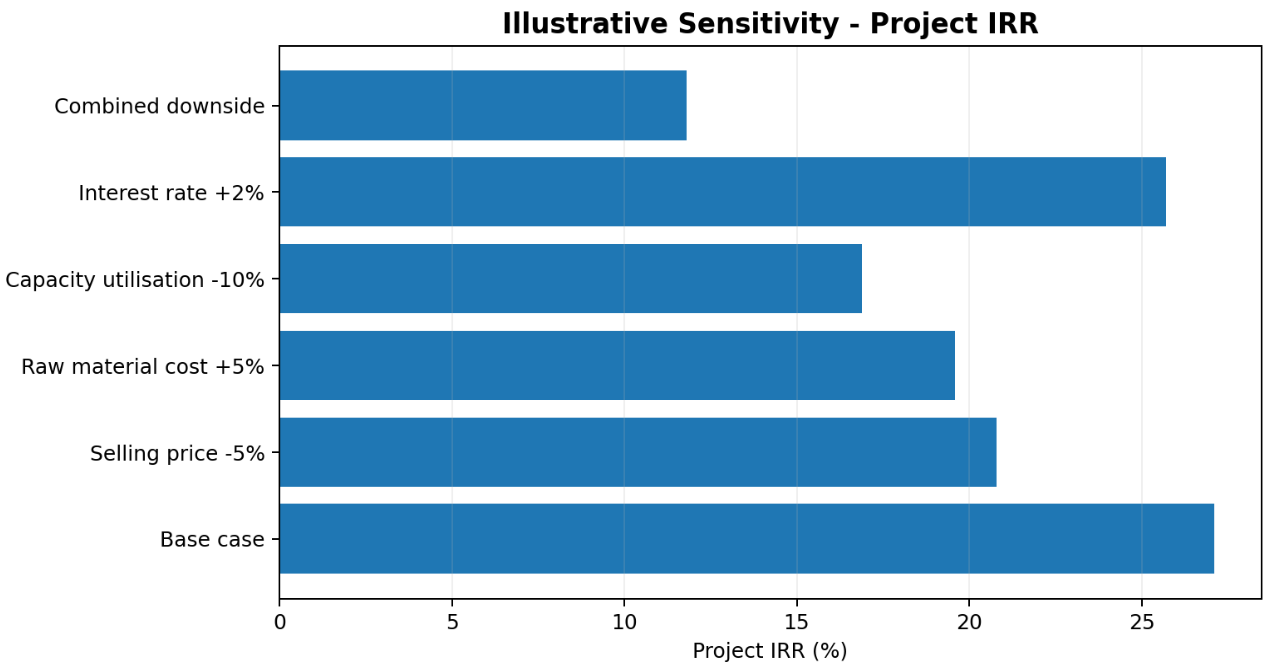
No single ratio should determine project viability. Returns should be reviewed alongside market assumptions, implementation risk, working capital, debt structure and sensitivity analysis.

STRESS TESTING

Sensitivity & Scenario Analysis

Selected downside cases show how changes in business assumptions may affect project return and debt-service capacity.

Scenario	Project IRR	Average DSCR	Illustrative Reading
Base case	27.1%	3.55x	Base assumptions
Selling price -5%	20.8%	2.35x	Viability moderates
Raw material cost +5%	19.6%	2.21x	Viability moderates
Capacity utilisation -10%	16.9%	1.95x	Viability moderates
Interest rate +2%	25.7%	2.87x	Viability moderates
Combined downside	11.8%	1.62x	Higher risk / review structure



Illustrative conclusion

The combined downside case remains positive but materially weakens project return and debt-service coverage. In a real engagement, this would prompt review of pricing, cost assumptions, debt quantum, moratorium, promoter contribution or contingency liquidity.

SUMMARY

Key Ratios & Scope of a Customised Engagement

A complete assignment may include deeper schedules, product-wise assumptions and lender- or investor-specific outputs.

Ratio / Indicator	Y1	Y2	Y3	Y4	Y5	Y6	Y7
EBITDA Margin	20.9%	22.5%	23.7%	24.2%	24.5%	24.5%	24.5%
Net Profit Margin	7.7%	11.0%	13.4%	14.7%	15.7%	16.4%	16.9%
Current Ratio	2.17x	2.61x	3.28x	4.08x	5.08x	6.26x	7.53x
Debt : Equity	1.69x	1.04x	0.62x	0.37x	0.22x	0.12x	0.06x
DSCR	3.69x	1.93x	2.57x	3.18x	3.85x	4.52x	5.26x

What a Customised Engagement Can Cover

Custom Financial Model May Include	Examples
Revenue model	Product-wise, capacity-wise, customer-wise, subscription, store or contract-driven assumptions
Cost model	Raw material, manpower, utilities, selling, overheads and inflation assumptions
Integrated statements	P&L, Balance Sheet and Cash Flow
Funding model	Project cost, promoter contribution, equity, term loan and working capital
Debt model	Drawdown, interest, moratorium, repayment and DSCR
Return analysis	Break-even, ROI, IRR, payback and key ratios
Stress testing	Sensitivity and scenario analysis
Use cases	Bank finance, investor fundraising, expansion, valuation support and management planning

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Final note: Financial projections are estimates based on assumptions and information available at the time of preparation. Actual results may differ. Funding, bank sanction, investor participation and business performance are not guaranteed.