SELECTED ILLUSTRATIVE PAGES

Sample Project Finance Advisory & Loan Structuring Report

Illustrative Manufacturing Project | India

Prepared by	**CA Manish Gugliya**
Practice	**Manish Gugliya & Company, Chartered Accountants**
Website	**www.projectreportbank.com**
Purpose	**Demonstration of advisory scope and presentation only**

Important: This PDF contains selected illustrative pages only. It is not a complete advisory report, loan sanction recommendation or financing assurance. All figures and assumptions are fictional and are used solely to demonstrate the nature of analysis.

01 | EXECUTIVE FINANCING SNAPSHOT

Illustrative Financing Structure

A concise financing snapshot connecting project cost, promoter contribution, term loan, working capital and repayment capacity.

INR 18.50 cr TOTAL PROJECT COST	**INR 6.50 cr** PROMOTER CONTRIBUTION	**INR 12.00 cr** PROPOSED TERM LOAN	**1.85 : 1** DEBT : EQUITY
INR 4.75 cr WORKING CAPITAL GAP	**INR 3.55 cr** PROPOSED BANK WC	**INR 1.20 cr** PROMOTER WC MARGIN	**1.68x** AVERAGE DSCR

Advisory observations

Area	Illustrative observation
Capital structure	Promoter contribution of INR 6.50 crore supports a proposed term loan of INR 12.00 crore, resulting in an indicative debt-equity ratio of 1.85:1.
Repayment	Principal repayment is assumed to begin after the initial ramp-up period and increases progressively as cash generation strengthens.
Working capital	Operating cycle creates an indicative working-capital gap of INR 4.75 crore, proposed to be funded by INR 3.55 crore bank finance and INR 1.20 crore promoter margin.
Stress resilience	Base-case DSCR remains above 1.40x in all projected repayment years; downside scenarios require closer monitoring.

Advisory focus

The objective is not to maximise borrowing. It is to structure debt, promoter contribution and repayment so that the project remains implementable and financially supportable.

02 | PROJECT COST & MEANS OF FINANCE

Project Cost and Funding Structure

Illustrative project cost is first established, followed by a matching means of finance.

Project cost component	INR crore	% of total
Land & site development	1.50	8.1%
Building & civil works	3.20	17.3%
Plant & machinery	9.10	49.2%
Utilities & electricals	1.35	7.3%
Furniture / laboratory / misc.	0.35	1.9%
Pre-operative expenses	0.75	4.1%
Interest during implementation	0.65	3.5%
Contingency	0.40	2.2%
Working capital margin	1.20	6.5%
Total project cost	18.50	100.0%

Means of finance	INR crore	Share
Promoter contribution	6.50	35.1%
Term loan	12.00	64.9%
Total means of finance	18.50	100.0%

Indicative structuring comments

• **Plant and machinery** is the largest investment component, representing approximately 49% of total project cost.

• **Working capital margin** is included within project cost so that liquidity needs are considered at the implementation stage.

• **Means of finance** fully reconciles with the project cost in this illustration; no funding gap is assumed.

• **Actual lender eligibility** of individual cost heads can vary by lender, scheme and project structure.

03 | DEBT-EQUITY & PROMOTER CONTRIBUTION

Capital Structure and Promoter Funding Plan

Illustrative analysis of promoter commitment, leverage and contribution timing.

INR 6.50 cr	INR 12.00 cr	1.85 : 1	35.1%
PROMOTER CONTRIBUTION	TERM LOAN	DEBT-EQUITY RATIO	PROMOTER SHARE

Indicative promoter funding source	Amount (INR cr)	Timing / evidence
Existing liquid funds / bank balances	2.40	Before first major disbursement; supported by bank statement / source evid
Capital introduced from promoter resources	1.60	During civil and machinery advance stage; source to be documented
Internal accruals / business resources	1.30	During implementation, subject to availability and lender acceptance
Working capital margin contribution	1.20	Before / during commencement of operations
Total promoter contribution	6.50	Illustrative total

Capital-structure interpretation

Indicator	Illustrative interpretation
Promoter commitment	35.1% promoter contribution provides a meaningful equity cushion in the illustrative structure.
Leverage	Debt-equity ratio of 1.85:1 is presented only for illustration; acceptable leverage varies by lender and project.
Liquidity	Promoter contribution should be planned without exhausting liquidity needed for contingencies and operating margin.
Evidence	The amount, source, timing and documentary support for promoter contribution are all important during appraisal.

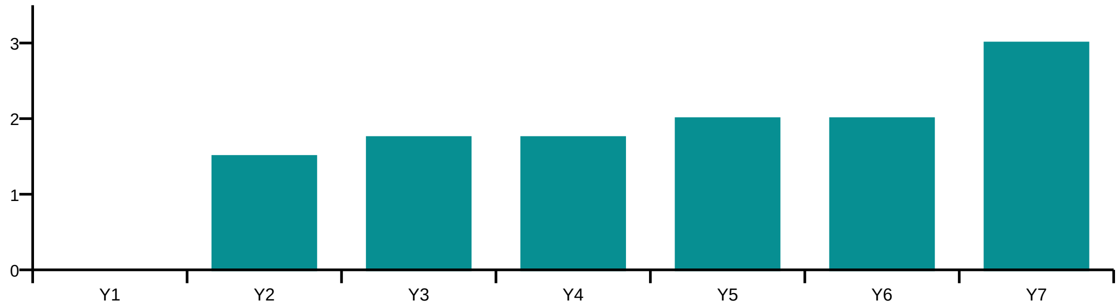
04 | TERM LOAN STRUCTURING

Indicative Term Loan & Repayment Profile

Repayment is aligned with ramp-up and projected cash generation rather than beginning aggressively from day one.

INR 12.00 cr	7 years	Year 2	1.68x
TERM LOAN	ILLUSTRATIVE TENURE	PRINCIPAL START	AVERAGE DSCR

Year	Opening loan	Principal	Interest	Closing loan	DSCR (x)
Y1	12.00	0.00	1.05	12.00	1.40
Y2	12.00	1.50	1.02	10.50	1.47
Y3	10.50	1.75	0.88	8.75	1.60
Y4	8.75	1.75	0.70	7.00	1.72
Y5	7.00	2.00	0.50	5.00	1.78
Y6	5.00	2.00	0.31	3.00	1.86
Y7	3.00	3.00	0.13	0.00	1.92



Illustrative observation: The repayment pattern is back-ended moderately, allowing the project to build operating cash generation before the heavier principal instalments fall due. Final repayment terms remain entirely subject to lender sanction.

05 | WORKING CAPITAL ASSESSMENT

Operating Cycle and Working Capital Gap

Working capital is evaluated separately from fixed-asset finance so that post-commissioning liquidity is not overlooked.

Current asset / liability component	INR crore
Raw material inventory	1.80
Work-in-progress	0.45
Finished goods	0.90
Receivables	3.20
Cash & other current assets	0.35
Total current assets	6.70
Trade creditors	1.60
Other current liabilities	0.35
Less: operating current liabilities	1.95
Indicative working capital gap	4.75
Proposed bank working capital finance	3.55
Promoter margin	1.20

INR 6.70 cr
CURRENT ASSETS

INR 1.95 cr
CURRENT LIABILITIES

INR 4.75 cr
WORKING CAPITAL GAP

INR 1.20 cr
PROMOTER WC MARGIN

Illustrative operating-cycle assumptions

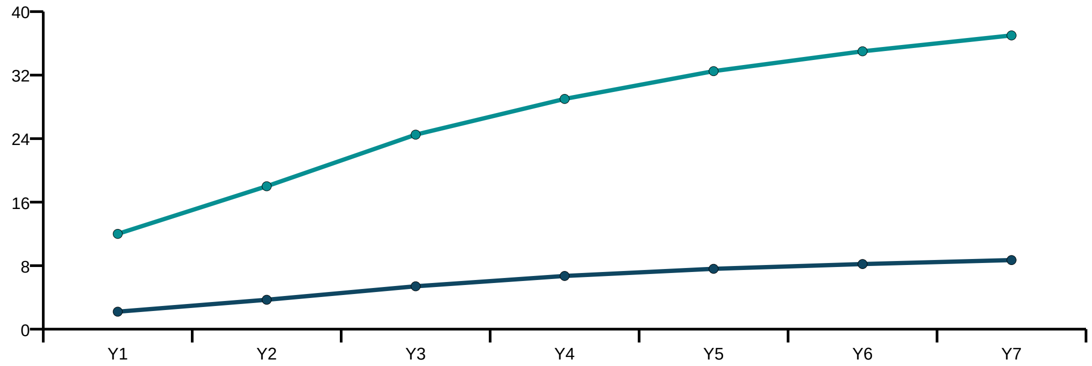
Assumption	Illustrative basis
Raw material holding	Approx. 45 days
Work-in-progress	Approx. 10 days
Finished goods	Approx. 15 days
Receivables	Approx. 40 days
Supplier credit	Approx. 30 days

06 | FINANCIAL PROJECTION SUMMARY

Projected Operating Performance

A lender-facing financial model should connect sales, margins, profitability, working capital, interest and debt repayment.

Year	Sales	EBITDA	PAT	EBITDA %	PAT %
Y1	12.00	2.20	0.55	18.3%	4.6%
Y2	18.00	3.70	1.35	20.6%	7.5%
Y3	24.50	5.40	2.45	22.0%	10.0%
Y4	29.00	6.70	3.10	23.1%	10.7%
Y5	32.50	7.60	3.70	23.4%	11.4%
Y6	35.00	8.20	4.05	23.4%	11.6%
Y7	37.00	8.70	4.35	23.5%	11.8%



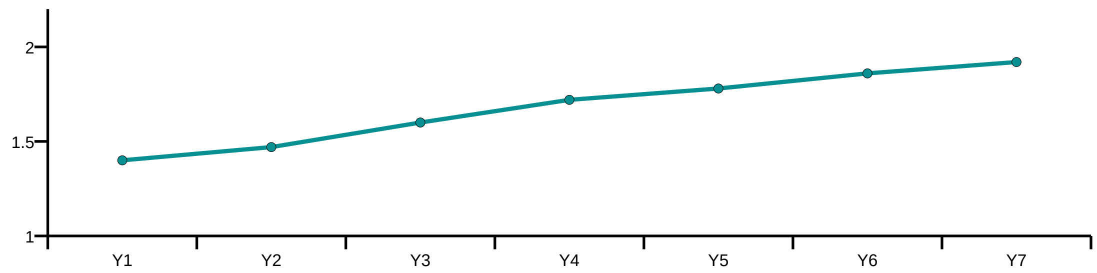
Key reading: Revenue and EBITDA build progressively as capacity utilisation improves. These are fictional assumptions for demonstration and are not sector benchmarks.

07 | DSCR & SENSITIVITY

Debt Service Capacity Under Base and Stress Cases

Base-case DSCR is reviewed year by year, then stress scenarios are used to understand financial resilience.

1.40x	**1.68x**	**INR 3.00 cr**	**Sales / cost / interest**
MINIMUM DSCR	AVERAGE DSCR	PEAK PRINCIPAL	STRESS FOCUS



Scenario	Illustrative change	Avg. DSCR	Indicative reading
Base case	As projected	1.68x	Comfortable in illustration, subject to assumptions
Sales downside	Sales lower by 10%	1.44x	Repayment cushion reduces materially
Raw material stress	Material cost higher by 8%	1.39x	Tighter coverage; pricing/margin response becomes important
Interest stress	Interest rate +2.0%	1.55x	Coverage moderates but remains above base minimum in this illustration
Combined downside	Sales -10% and material +5%	1.27x	Requires closer review of debt size / repayment structure

Advisory interpretation: Stress testing does not predict the future. It indicates how quickly the financing structure can weaken when key assumptions move adversely.

08 | ADVISORY OBSERVATIONS

Illustrative Structuring Conclusions

This closing sample page demonstrates the type of issues that may be highlighted after reviewing the financing model.

Observation	Illustrative advisory comment
Project cost	Project cost and means of finance reconcile at INR 18.50 crore with no assumed funding gap.
Promoter funding	Promoter contribution of INR 6.50 crore should be supported by a clearly evidenced source and implementation schedule.
Term debt	INR 12.00 crore term debt appears supportable under the fictional base case, subject to lender appraisal and actual project econom
Repayment	Principal repayment is structured to increase after ramp-up; front-loading repayment could weaken early-year DSCR.
Working capital	INR 4.75 crore working-capital gap is significant and should be planned in parallel with fixed-asset finance.
Sensitivity	Combined downside scenario reduces average DSCR to 1.27x, indicating that sales realisation and raw-material margins are key fi

SAMPLE CONCLUSION

The financing structure is only as strong as the assumptions beneath it. Project cost, promoter contribution, working capital, repayment timing and debt service capacity should be evaluated as one connected financing decision.

Important sample disclaimer

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