



A useful report makes its assumptions visible.

Detailed Project Report (DPR)

An annotated fictional sample

Follow a small manufacturing project from its technical plan to its costs, funding, operating cash flow and downside cases. See what belongs in each section - and which evidence must replace the teaching assumptions.

THE EXAMPLE	THE FUNDING
Industrial sheet-metal enclosures 100,000 units a year at assumed nameplate capacity	INR 281.00 lakh total requirement INR 140.00 lakh term loan + INR 141.00 lakh equity

Fictional teaching example

Project E-01, its costs, product economics and financing terms are invented. This is an educational reference, not a real client report, bank-approved template or recommendation to invest or borrow.

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01 / How to read a DPR

A DPR should let a reader follow the reasoning: what will be built, who will buy its output, what it costs, how it will be funded and what could interrupt that plan. An impressive total is less useful than a traceable calculation.

Report section	The question it should answer	Evidence to connect
Project and promoter	What is proposed, by whom and for what decision?	Scope, ownership, experience, funding ability.
Market and sales	Who will buy, in what quantity and on which terms?	Customer qualification, orders, net prices, competition.
Technical plan	Can the chosen process deliver saleable output?	Equipment, layout, bottlenecks, utilities, quality criteria.
Implementation	What must happen before production and billing?	Dependencies, responsibilities, dates, procurement terms.
Cost and funding	Are all uses of cash covered at the right time?	Quotes, exclusions, equity evidence, proposed facilities.
Financial projections	How do operations translate into profit and cash?	Linked assumptions, working capital, debt schedule.
Risks and actions	What changes the conclusion, and who will respond?	Downside tests, mitigations, unresolved evidence.
Appendices	Can another person check the report?	Evidence register, model version, drawings, references.

Annotation
The page sequence in this sample is one readable structure. Confirm the recipient's format and terms of reference before starting; a lender may require additional schedules. KSIDC, for example, publishes lender-specific templates and checklists. [1]

Amounts are INR lakh unless stated otherwise. One lakh is INR 100,000. Y1-Y6 are full operating years after construction; they are not calendar-year forecasts. Calculations use unrounded values, while tables display two decimals.

02 / Define the project first

Project E-01	Fictional study boundary
Product	One standard sheet-metal enclosure used as a modelling unit. No actual customer specification or certified product is represented.
Business	Manufacture to customer-approved drawings for industrial equipment makers. The example assumes domestic sales only.
Premises	Leased industrial building. Land purchase is excluded; lease suitability and permissions are unverified.
Production route	Purchase cut sheet / blanks, form, join, finish through an external vendor, inspect and pack.
Capacity / ramp	100,000 saleable units a year; assumed sales ramp from 60% to 85% over four years.
Decision	What operating assumptions and evidence would be needed before committing to the investment?
Promoter	No real individual or company. A real report must establish relevant experience, management responsibility and equity availability.

Turn a market assertion into something testable

Weak: "Demand is high, so the plant will sell its full output."

Useful: "Y1 needs 60,000 accepted units. Show customers by application, qualification stage, expected monthly volume, net price, payment terms and concentration."

Annotation

A customer discussion, expression of interest and confirmed purchase order are different levels of evidence. Record their status separately. This example has no actual orders, market survey or independently verified demand.

Questions left open

Who approves drawings? How long does product qualification take? Who pays for rejects or rework? Can input-cost changes be passed through? Does one customer account for most of the first-year sales?

03 / Connect capacity to sales

Capacity should be constrained by the slowest relevant stage, with quality and calendar assumptions visible. Here the annual model deliberately starts from assumed saleable capacity; its sales ramp is applied once.

Stage	Illustrative annual capability	Evidence a real DPR needs
Forming	120,000 accepted unit-equivalents	Cycle time by design, shift calendar, changeovers, tooling and scrap.
Joining / assembly	110,000 accepted unit-equivalents	Work content, fixtures, operators, rework and safe workstation layout.
External finishing	100,000 accepted unit-equivalents	Supplier capacity allocation, transport time, finish acceptance and alternate vendor.
Inspection / packing	105,000 accepted unit-equivalents	Inspection time, test plan, packing specifications and dispatch space.
Modelled line capacity	100,000 saleable units / year	External finishing is the assumed bottleneck. Stage figures already include operating losses.

Illustrative operating calendar

250 working days, one eight-hour shift. The modelled bottleneck averages 400 accepted units a day. These are invented planning assumptions, not equipment guarantees.

Annotation

Do not take a supplier's maximum cycle speed, multiply it by every calendar hour, and call the result saleable capacity. Check changeovers, planned maintenance, rejected output and customer acceptance together.

What the technical appendix should hold

Process flow; machine and tooling list; layout and material movement; electrical and other utility loads; staff and shift plan; quality release criteria; maintenance plan; site and approval status. Outsourced operations still need capacity and continuity checks.

04 / Build a funded schedule

A six-month construction period is assumed solely for this example. A real schedule should use equipment lead times, site readiness and approval dependencies confirmed for the actual project.

Period	Work and completion evidence	Cash use, INR lakh
Month 1	Final scope, site diligence and baseline layout. Record unresolved permission and lease issues before commitments.	20.00
Month 2	Approve comparable equipment offers and release orders under agreed payment milestones.	40.00
Month 3	Site fit-out, utilities and equipment manufacture; review progress against vendor records.	60.00
Month 4	Delivery, erection and utility connections; document interface readiness.	40.00
Month 5	Trials, operator training and initial quality checks; keep a defects and closure list.	30.00
Month 6	Complete customer qualification, handover and dispatch readiness.	10.00
Total	Illustrative fixed investment, including allowances on page 6.	200.00

Cash bridge

The INR 81.00 lakh operating-liquidity envelope is funded by the start of Y1: INR 51.00 lakh for the modelled working-capital build and INR 30.00 lakh as cash reserve. It is additional to the INR 200.00 lakh above.

Keep three dates distinct

Mechanical completion is not customer acceptance. Customer acceptance is not cash collection. Model all three so a commissioning delay does not disappear inside a full-year revenue assumption.

The annual model starts after construction. Its INR 6.00 lakh construction-interest allowance is a placeholder, not a monthly debt-draw calculation. A live DPR needs a monthly sources-and-uses schedule, actual interest accrual and evidence that funding precedes payments.

05 / Cost and means of finance

Use of funds	INR lakh	Basis to replace with evidence
Leasehold fit-out	35.00	Civil scope, lease terms and drawings.
Forming / joining equipment	90.00	Comparable vendor quotes with exclusions.
Tooling and fixtures	18.00	Product drawings, changeovers and tool life.
Utilities and electrical works	15.00	Load assessment and connection estimates.
Inspection and handling equipment	10.00	Inspection plan and safe handling requirements.
Installation / trials / training	10.00	Supplier services and commissioning scope.
Pre-operative allowance	12.00	Includes 6.00 construction interest; rebuild monthly.
Construction contingency	10.00	Uncertainty allowance; document use.
Fixed investment subtotal	200.00	No land purchase or recoverable-tax bridge.
Initial working-capital allowance	51.00	Derived from Y1 operating cycle, page 8.
Cash reserve	30.00	Separate liquidity allowance, not machinery cost.
Total funding requirement	281.00	200.00 + 51.00 + 30.00.

Source	INR lakh	Teaching assumption
Promoter equity	141.00	Injected by start of operations.
Term loan	140.00	12% yearly interest; repayment on page 10.
Total	281.00	Matches the funding requirement exactly.

All values are invented. No subsidy, working-capital loan, lender commitment or current market interest rate is assumed. The split is not a recommended debt-equity ratio. Supplier credits appear within working capital, not as extra project funding.

06 / Make assumptions auditable

Driver	Fictional base assumption	How to substantiate it
Selling price	INR 600 per accepted unit; flat through Y6	SKU mix, discounts, returns, freight and taxes; use net realisation.
Direct material	INR 300 per unit	Bill of materials, yield, scrap credit and dated quotes.
Other variable cost	INR 60 per unit	External finishing, variable power, consumables and packing.
Contribution	INR 240 per unit = 600 - 360	Reconcile unit economics with annual operating cost.
Fixed cash costs	INR 65.00 lakh in Y1; increases 3% each year	Staffing, lease, routine maintenance, administration and selling budget.
Depreciation	INR 20.00 lakh yearly	Teaching simplification: all fixed investment over ten years.
Tax	25% of positive modelled profit before tax	Teaching rate only; not a statement of applicable tax law.

Operating year	Y1	Y2	Y3	Y4-Y6
Utilisation	60%	70%	80%	85%
Accepted units	60,000	70,000	80,000	85,000
Revenue, lakh	360.00	420.00	480.00	510.00

Follow one calculation

Y1 revenue = 60,000 units x INR 600 / 100,000 = INR 360.00 lakh. Variable cost = 60,000 x INR 360 / 100,000 = INR 216.00 lakh. EBITDA = 360.00 - 216.00 - 65.00 = INR 79.00 lakh.

This single-product model holds selling price and variable cost constant to expose the mechanics. It does not forecast inflation, commodity prices or industry margins. A live multi-product business needs a SKU-level mix and explicit escalation assumptions.

07 / Working capital, worked

Profit is not immediately available cash. Materials, finished goods and unpaid customer invoices tie up money; supplier payment terms offset part of that need. This example uses a transparent operating-cycle calculation.

Y1 component	Calculation (360-day convention)	INR lakh
Raw-material inventory	180.00 annual material cost x 30 / 360	15.00
Finished-goods inventory	216.00 annual variable cost x 10 / 360	6.00
Customer receivables	360.00 annual revenue x 45 / 360	45.00
Less supplier payables	180.00 annual material cost x 30 / 360	(15.00)
Net operating working capital	15.00 + 6.00 + 45.00 - 15.00	51.00

Why the project includes INR 51.00 lakh

The funding plan pre-funds the first-year working-capital build. Cash begins Y1 at INR 81.00 lakh; INR 51.00 lakh moves into operating working capital during Y1. It is not both an expense and a second capital charge.

Operating year	Y1	Y2	Y3	Y4	Y5-Y6
Net working capital	51.00	59.50	68.00	72.25	72.25
Annual cash increase	51.00	8.50	8.50	4.25	0.00

The simplifications matter

Work-in-progress is assumed immaterial, and finished goods are valued at variable cost only. Indirect taxes, customer advances, wages payable, seasonal peaks and bad debts are excluded. A real appraisal needs monthly balances, accounting-consistent inventory values and the lender's eligibility rules.

Fixed investment, operating working capital and their funding should be presented separately; historical SIDBI project profiles illustrate that distinction. This example uses its own figures and finances the net operating requirement through equity and retained cash, without cash credit. [2]

08 / Profit is one view

The linked operating statement below follows directly from the unit assumptions and debt schedule. EBITDA is earnings before interest, tax, depreciation and amortisation; it is not the same as cash available for repayment.

INR lakh	Y1	Y2	Y3	Y4	Y5	Y6
Revenue	360.00	420.00	480.00	510.00	510.00	510.00
Variable cost	216.00	252.00	288.00	306.00	306.00	306.00
Fixed cash cost	65.00	66.95	68.96	71.03	73.16	75.35
EBITDA	79.00	101.05	123.04	132.97	130.84	128.65
Depreciation	20.00	20.00	20.00	20.00	20.00	20.00
Term-loan interest	16.80	16.80	13.44	10.08	6.72	3.36
Profit before tax	42.20	64.25	89.60	102.89	104.12	105.29
Illustrative tax	10.55	16.06	22.40	25.72	26.03	26.32
Profit after tax	31.65	48.19	67.20	77.17	78.09	78.97

Read Y2 across the model

70,000 units generate INR 420.00 lakh revenue. After operating costs, EBITDA is INR 101.05 lakh. Subtract depreciation and interest before the assumed tax calculation. Profit after tax is INR 48.19 lakh; cash after debt service is different (page 10).

Checks that catch common errors

1. Does the revenue volume match the capacity and customer ramp?
2. Do material, labour, power and outsourced costs match the process?
3. Are interest and principal taken from the same debt schedule?
4. Does working-capital growth consume cash even when profit rises?
5. Are taxes, depreciation and capitalisation treated consistently?

The entire INR 200.00 lakh fixed-investment pool is depreciated over ten years for teaching simplicity. Actual treatment of leasehold works, tools, pre-operative costs, interest, contingency and tax depreciation must be reviewed separately.

09 / Follow cash and debt

The loan is assumed fully drawn at the start of Y1. Interest is 12% of opening debt; principal is paid at each year-end. Y1 has no principal repayment; Y2-Y6 each repay INR 28.00 lakh. These are invented terms.

INR lakh	Y1	Y2	Y3	Y4	Y5	Y6
Opening term debt	140.00	140.00	112.00	84.00	56.00	28.00
Interest paid	16.80	16.80	13.44	10.08	6.72	3.36
Principal paid	0.00	28.00	28.00	28.00	28.00	28.00
Closing term debt	140.00	112.00	84.00	56.00	28.00	0.00
EBITDA	79.00	101.05	123.04	132.97	130.84	128.65
Tax paid	10.55	16.06	22.40	25.72	26.03	26.32
Increase in NWC	51.00	8.50	8.50	4.25	0.00	0.00
Cash before debt	17.45	76.49	92.14	103.00	104.81	102.33
Cash after debt	0.65	31.69	50.70	64.92	70.09	70.97
Opening cash	81.00	81.65	113.34	164.04	228.96	299.05
Closing cash	81.65	113.34	164.04	228.96	299.05	370.02

Cash bridge

Cash before debt = EBITDA - cash tax - increase in net working capital. Cash after debt = that amount - interest - principal. Closing cash = opening cash + cash after debt. No dividends, expansion or replacement capex are assumed.

Y2 cash after debt is INR 31.69 lakh, versus profit after tax of INR 48.19 lakh. The difference reconciles as profit + 20.00 depreciation - 8.50 additional working capital - 28.00 principal.

SBI describes project cash flows as central to project-loan repayment. [3] This annual teaching view does not establish monthly liquidity, a sanction condition or loan eligibility. Rebuild timing and drawdown mechanics for the actual transaction.

10 / Test what can change

A downside case should change linked assumptions together. These are three alternative Y2 outcomes, each starting from the same base-case Y1 closing cash and working capital. They are not probability estimates.

Y2 comparison	Base	Lower sales	Plus slower receipts
Units sold	70,000	63,000	63,000
Price, INR / unit	600	570	570
Collection days	45	45	75
Revenue, lakh	420.00	359.10	359.10
EBITDA, lakh	101.05	65.35	65.35
Net working capital, lakh	59.50	51.19	81.11
Increase in NWC, lakh	8.50	0.19	30.11
Cash after debt, lakh	31.69	13.23	-16.70
Closing cash, lakh	113.34	94.88	64.95
Illustrative cash cover	1.71	1.30	0.63

What the combined case reveals

10% fewer units, a 5% lower price and 30 additional collection days produce INR 16.70 lakh of cash consumption in Y2. The opening reserve absorbs it in this illustration, but planned cash accumulation reverses. It is a prompt to test terms and funding, not a prediction of default.

About the coverage figure

Illustrative cash cover = (EBITDA - tax - increase in NWC) / (term interest + principal). It shows the cash effect of slow collection. It is not labelled lender DSCR: lenders may use different definitions, adjustments and required levels.

Keep downside cases useful

Ask what evidence reduces the risk: customer price clauses, staged ramp-up, collection terms, alternate finishing capacity or additional committed liquidity. Also test construction delay, cost overrun and interrupted production with monthly cash flows.

11 / Turn risks into actions

Risk / signal	Effect to model	Evidence or action before reliance
Customer qualification later than planned	Sales start later, while rent and staff costs continue.	Obtain customer-specific trial and approval steps; link billing to acceptance.
External finishing capacity unconfirmed	Bottleneck lowers saleable output; delays increase inventory.	Confirm capacity allocation, quality terms and alternative supplier readiness.
Material costs rise before selling prices reset	Unit contribution falls.	Map purchase commitments and customer price-reset clauses; stress the timing gap.
Receipts take longer	Receivables absorb cash despite reported profit.	Review terms, concentration and ageing; quantify the cash buffer required.
Equipment quote excludes essentials	Budget and completion date move together.	Reconcile taxes, freight, installation, tooling, utilities, trials and spare parts.
Site / approval conditions unresolved	Procurement or production may be delayed.	Maintain a location-specific permission and lease checklist with qualified advisers.
Equity or loan availability delayed	Payments fall due before funding is available.	Verify equity sources and facility conditions; build a monthly funding sequence.

Annotation
Assign each risk an owner, closing date and evidence status. "To be managed" is not a mitigation. A report should explain which unresolved items could change its conclusion.

Do not turn the sample into a blanket approval checklist. Applicable permissions, safety, environmental controls, product requirements and lender conditions depend on the site, process, workforce and financing structure.

12 / Preparation checklist

Use this as a working evidence register. Mark each item Received, To verify or Open; add an owner and due date. A checked box should mean a document exists and has been reviewed, not that someone expects to provide it later.

Workstream	Inputs to assemble
Project / promoter	☐ Purpose and project boundary ☐ Ownership and management roles ☐ Relevant experience and existing business accounts ☐ Equity sources and availability dates
Site / permissions	☐ Land or lease records and permitted use ☐ Site layout, access and building readiness ☐ Utility availability and connection estimates ☐ Applicable approvals with status and conditions
Technical	☐ Process flow and product specifications ☐ Comparable equipment and tooling quotes ☐ Capacity, yield, shifts and maintenance assumptions ☐ Quality acceptance and outsourced-stage evidence
Commercial	☐ Customer discussions / orders clearly distinguished ☐ Product-wise net prices, discounts and freight ☐ Credit terms, collection history and concentration ☐ Raw-material, supplier and logistics assumptions
Finance / execution	☐ Project cost with exclusions and contingency ☐ Monthly implementation and payment schedule ☐ Proposed financing terms and conditions ☐ Linked profit, balance sheet and cash projections ☐ Working-capital logic and downside cases ☐ Evidence index, cut-off date and revision log

Before circulation

Reconcile every key number across the narrative, tables and model. Label unverified inputs. Remove unsupported claims of orders, approvals, subsidies, capacity guarantees or finance commitments.

The checklist is an original preparation aid. The actual recipient may require additional KYC, legal, security, financial, technical or statutory documents. Confirm their current requirements directly. [1]

13 / Before you appoint a consultant

Ask this	A useful answer should make clear
What decision will this report support?	The recipient, purpose, project boundary and whether separate appraisal or lender review is expected.
Who will review the technical assumptions?	Sector experience, responsible specialists and how vendor claims are checked.
What inputs do you need from us?	A document list, named owners, gaps and a realistic information cut-off.
Is a site visit included?	Purpose, timing, observations, exclusions and how findings affect the report.
How will you build the numbers?	A linked model, traceable assumptions, working-capital method and sensitivity cases.
What starts the delivery clock?	Receipt of complete inputs, agreed scope, review milestones and dependencies.
How are fees and changes handled?	Quoted deliverables, taxes, travel, revisions, additional data work and scope changes.
Will you respond to review questions?	Which clarification rounds are included, response arrangements and closure process.
What files will we receive?	Dated report, calculation model where agreed, evidence register and open-items list.
How will you protect our information?	Access, confidentiality, permitted reliance and written approval before any public use.

At handover

Walk through the assumptions and downside result together. Ask the consultant to show one number from source evidence to model output. Clarify unresolved items and who will close them.

A report can improve the quality and traceability of an investment proposal; it does not guarantee a lender's sanction or a project's commercial outcome. No single fee or delivery period fits every DPR scope.

14 / Model notes and reconciliation

Use these checks when adapting the example. They distinguish cash, accounting charges and funding so the same amount is not counted twice.

Check	Calculation / boundary
Sources equal uses	141.00 equity + 140.00 term loan = 200.00 fixed investment + 51.00 WC allowance + 30.00 cash reserve.
Opening operating cash	281.00 funding - 200.00 fixed investment = 81.00. Actual Y1 working-capital build is then deducted from cash flow.
No double-counted working capital	P&L; includes consumed materials and other operating costs. Cash flow additionally reflects the change in operating current assets less supplier payables.
Loan principal is not a P&L; cost	Interest reduces profit; principal reduces loan and cash balances. Total principal repaid is $5 \times 28.00 = 140.00$.
Net balance-sheet check	Net fixed assets + net working capital + cash = equity (including retained profit) + term debt. This holds in all six model years.
No hidden terminal proceeds	No asset-sale value, working-capital release or business valuation is assumed at Y6. Operations are not assumed to stop then.

Y1 net balance-sheet illustration	INR lakh
Net fixed assets	180.00
Net working capital	51.00
Closing cash	81.65
Total net assets	312.65
Equity including retained profit	172.65
Closing term debt	140.00

Boundary: annual periods, no seasonality; no dividends, expansion, replacement investment or working-capital facility; flat unit prices and variable costs; simplified tax, depreciation and inventory valuation. Routine maintenance sits within fixed cash costs. This is not a complete lender financial model.

15 / Sources and next steps

All project figures and scenarios are original, invented teaching inputs. The sources below support the report structure and the distinction between project funding and operating cash flow; they do not validate this fictional business.

[1] KSIDC: Project Financing - application guidelines and templates

A lender publishes its own project-report format, document checklist and financial projection requirements. Refer to the application guidelines section; no loan product terms are used in this example.

[2] SIDBI: Project Profile of NER (historical compilation)

Illustrates separating fixed capital, operating working capital and means of finance. Used for structural context only; none of its historical prices or project estimates are used.

[3] SBI: FAQ Project Finance

Explains the role of project cash flows in project-loan repayment. This broad principle motivates the cash-flow bridge; this small fictional unit is not asserted to qualify for that product.

Sources checked 12 October 2026. Institution requirements and linked pages may change. Confirm the current form, scope and lending terms with the intended recipient.

Turn the sample into a project brief

1. Write a one-page description of the project and the decision you need to make.
2. Assemble the evidence checklist and mark the gaps honestly.
3. Agree a project-specific scope and lender / investor requirements.
4. Rebuild the technical and financial assumptions together.
5. Review downside cases and unresolved actions before relying on the report.

Need a project-specific DPR?

Share your sector, location, project stage, proposed capacity, indicative cost and intended recipient. Bitcon can discuss the work and inputs needed for your assignment.

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