

NIIR PROJECT CONSULTANCY SERVICES (NPCS)
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CLIENT SUCCESS CASE STUDY
Potato Starch Manufacturing Business
 M/s. Dhampur Sugar Mills Limited | Bijnor, Uttar Pradesh

1. Project Snapshot

PROJECT SNAPSHOT	
Client Name	M/s. Dhampur Sugar Mills Limited
Location	Allahapur, Dhampur, Bijnor, Uttar Pradesh
Industry Sector	Agro-Based Manufacturing / Food Processing
Proposed Project	Potato Starch Manufacturing Unit (Using Locally Sourced Potato)
Consultancy Provided By	Niir Project Consultancy Services (NPCS), New Delhi
Type of Report	Techno-Economic Feasibility Study & Detailed Project Report (DPR)
Implementation Status	Feasibility Study Completed Client Proceeding with Project Implementation

2. Introduction

Niir Project Consultancy Services (NPCS), headquartered in New Delhi, is one of India's most reputed and widely trusted project consultancy and research organisations. With over three decades of experience in providing Detailed Project Reports (DPRs), Techno-Economic Feasibility Studies, and market intelligence across diverse industrial sectors, NPCS has been instrumental in guiding thousands of entrepreneurs, small and medium enterprises (MSMEs), and large industrial groups toward profitable and sustainable manufacturing investments.

This case study presents a documented account of NPCS's successful engagement with M/s. Dhampur Sugar Mills Limited, a well-established business entity based in Allahapur, Dhampur, Bijnor, Uttar Pradesh. The client, intending to diversify into a new large-scale manufacturing venture, engaged NPCS to identify, evaluate, and recommend a suitable agro-based manufacturing project aligned with regional resource availability, market demand, and investment feasibility.

Following a rigorous techno-commercial assessment, NPCS recommended the establishment of a Potato Starch Manufacturing Unit — a high-potential, resource-aligned manufacturing opportunity with strong domestic and export market demand. The client reviewed NPCS's comprehensive feasibility report and resolved to proceed with the implementation of the project.

3. Client Background and Investment Objective

M/s. Dhampur Sugar Mills Limited is a prominent and financially robust business group based in the Bijnor district of Uttar Pradesh. The group has a well-established legacy in the sugar manufacturing and agro-industrial sector, with a strong presence across the Terai and western Uttar Pradesh belt — a region known for its fertile agricultural landscape, abundant sugarcane, paddy, and potato cultivation.

Recognising the need to diversify its industrial portfolio and leverage existing regional resources, the management of M/s. Dhampur Sugar Mills Limited decided to explore investment opportunities in an allied or complementary manufacturing sector. The client's key investment criteria included:

- Availability of key raw materials within a reasonable proximity of the proposed plant location
- Strong and growing market demand for the finished product — both domestically and for export
- Technically proven and commercially viable manufacturing process with manageable capital investment
- Long-term operational sustainability, scalability, and potential for value addition
- Availability of skilled and semi-skilled labour in the region
- Alignment with national agricultural processing and MSME promotion policies

With this investment objective clearly defined, M/s. Dhampur Sugar Mills Limited approached Niir Project Consultancy Services (NPCS) for professional guidance in identifying and evaluating the most suitable manufacturing opportunity.

4. Business Opportunity Identified

After a thorough assessment of the client's location profile, available raw material ecosystem, infrastructure landscape, and investment appetite, the NPCS research and consultancy team identified Potato Starch Manufacturing as the most commercially sound and strategically well-aligned opportunity for M/s. Dhampur Sugar Mills Limited.

Potato starch — extracted and refined from fresh potatoes through a controlled wet-milling process — is a premium-grade, high-demand industrial ingredient used across a wide spectrum of sectors including:

- **Food Industry:** Food processing and confectionery
- **Paper Industry:** Paper and board manufacturing for binding and coating applications
- **Textile Industry:** Textile manufacturing for sizing and finishing of yarn and fabric
- **Pharmaceuticals:** Pharmaceutical formulations as a binder, disintegrant, and excipient
- **Adhesives:** Adhesive and glue manufacturing
- **Green Materials:** Biodegradable packaging and bioplastics
- **Fermentation:** Fermentation and glucose/fructose syrup manufacturing

The Bijnor district and surrounding belt of western Uttar Pradesh constitute one of India's most prolific potato-growing regions. The proximity to abundant, cost-effective raw material supply, combined with well-developed road connectivity and agricultural infrastructure, makes the region ideally suited for setting up a potato starch processing facility.

5. Why This Project Was Recommended by NPCS

NPCS's recommendation to establish a Potato Starch Manufacturing Unit was based on a multi-dimensional evaluation of technical, commercial, and locational parameters. The key rationale supporting this recommendation is detailed below:

Raw Material Availability and Cost Competitiveness

Uttar Pradesh is among the top three potato-producing states in India, contributing significantly to the national production volume of approximately 50–55 million metric tonnes annually. The Bijnor district and its adjoining areas cultivate potatoes extensively across the Rabi season. The client's location in Dhampur ensures ready access to high volumes of fresh potato at competitive farm-gate prices, significantly reducing input costs and ensuring consistent supply throughout the processing season.

Market Demand and Product Versatility

Potato starch enjoys multi-sectoral demand across food processing, pharmaceuticals, textiles, paper, and biodegradable materials industries. The product's versatility as both a native starch and modified starch derivative makes it one of the most commercially sought-after plant-based industrial ingredients in the country. India's growing food processing sector and the expanding pharmaceutical manufacturing base have further driven sustained demand growth.

Import Substitution Potential and Export Opportunity

India continues to import specialty starches and modified starch derivatives in significant quantities. A domestic production unit of potato starch of industrial quality can cater to import substitution needs while also accessing export markets across Southeast Asia, the Middle East, and Europe, where demand for plant-derived starches is growing substantially.

Alignment with Government Policy Frameworks

The proposed project aligns strategically with several Government of India initiatives including the Pradhan Mantri Kisan Sampada Yojana (PMKSY), the Production Linked Incentive (PLI) Scheme for the food processing sector, and the MSME Development schemes. These policy frameworks offer eligible enterprises access to capital subsidies, reduced credit rates, and infrastructure development support.

Scalability and Value Addition Potential

The manufacturing unit can be further expanded to produce modified starches — including oxidised starch, cationic starch, cross-linked starch, and hydroxypropyl starch — all of which command significantly higher market prices compared to native potato starch. This creates strong potential for revenue scaling and margin improvement as the enterprise matures.

6. Market Opportunity & Demand Outlook

The Indian starch derivatives industry is growing at an impressive pace, driven by the expanding food processing sector, pharmaceutical growth, and the textile and paper industries. Below is a summary of the market dynamics analysed by NPCS:

- India's starch and starch derivatives market is estimated to grow at a Compound Annual Growth Rate (CAGR) of 6.5%–8.5% over the next five years, driven by increasing industrial consumption across key user segments.

- The food processing sector — the single largest consumer of starch — continues to expand rapidly, supported by urbanisation, changing dietary habits, rising disposable incomes, and the growth of the quick-service restaurant (QSR) and packaged food industries.
- The pharmaceutical industry's increasing reliance on excipients of plant origin, including potato starch, is creating consistent institutional procurement demand.
- Export demand from markets in Bangladesh, Sri Lanka, the UAE, the UK, and various European nations for high-quality processed starch offers the project strong foreign exchange earning potential.
- Potato starch faces relatively limited domestic competition compared to corn starch and tapioca starch, providing manufacturers with the opportunity to command a premium price positioning in niche markets.
- Industrial demand from the paper manufacturing and textile processing clusters in North India creates a locally accessible buyer base, reducing logistics costs and ensuring market proximity.

NPCS's market intelligence confirmed that the demand-supply dynamics for potato starch in India are favourable for new entrants who can ensure consistent product quality, food-grade certification, and competitive pricing — all of which are achievable with the technology and production parameters recommended in the DPR.

7. Estimated Investment Outlook

The following table summarises the indicative financial parameters of the proposed Potato Starch Manufacturing Unit as assessed and reported by NPCS. These figures are based on standard industry benchmarks, current equipment quotations, and market price analysis conducted at the time of the feasibility study.

Financial Parameter	Estimated Value / Range
Project Scale	Medium to Large Scale Industrial Unit
Estimated Plant & Machinery Cost	INR 3.50 – 6.00 Crore (Approx.)
Total Project Cost (Estimated)	INR 8.00 – 15.00 Crore (Approx.)
Working Capital Requirement	INR 1.50 – 3.00 Crore (Approx.)
Estimated Annual Turnover	INR 20.00 – 40.00 Crore (at optimum capacity)
Projected Net Profit Margin	12% – 18% (Post Stabilization)
Estimated Payback Period	4 – 6 Years
Break-Even Point	Approx. 55%–65% of Installed Capacity
Internal Rate of Return (IRR)	18% – 25% (Indicative)

Disclaimer: The financial projections and investment figures mentioned above are indicative estimates based on NPCS research, industry benchmarks, and market analysis at the time of the study. Actual figures may vary based on location, scale, technology selection, raw material prices, and prevailing market conditions. These figures are intended for preliminary planning purposes only and do not constitute a guarantee of financial performance.

8. NPCS Consultancy Approach and Deliverables

NPCS adopted a structured, research-driven, and client-centric consultancy approach in its engagement with M/s. Dhampur Sugar Mills Limited. The following deliverables and advisory inputs were provided as part of the comprehensive DPR and feasibility consultancy:

- **Industry and Market Research:** In-depth analysis of the Indian potato starch industry, including demand trends, pricing dynamics, competitive landscape, key buyers, and export market potential.
- **Raw Material Availability Study:** Assessment of potato cultivation patterns, seasonal availability, procurement logistics, and cost benchmarking in the Bijnor region and adjoining districts.
- **Technical Feasibility Assessment:** Detailed review of the manufacturing process, production workflow, plant layout requirements, equipment specifications, utility requirements, and quality control systems.
- **Project Cost Estimation:** Comprehensive capital cost estimation covering land and building costs, plant and machinery, utilities, pre-operative expenses, and contingency provisions.
- **Working Capital Analysis:** Assessment of working capital cycle, inventory requirements, receivables management, and funding gap estimation.
- **Financial Viability Evaluation:** Preparation of projected profit and loss statements, cash flow projections, balance sheet estimates, and computation of key financial indicators including IRR, NPV, DSCR, and payback period.
- **Regulatory and Compliance Guidance:** Overview of statutory approvals, food safety certifications (FSSAI), pollution control board (PCB) compliance, and industrial licensing requirements.
- **Implementation Roadmap:** Indicative project implementation schedule covering pre-project activities, civil construction, procurement, installation, commissioning, trial production, and commercial launch milestones.
- **Strategic Advisory Inputs:** Recommendations on product quality positioning, buyer development, value-addition product portfolio, and potential government incentive programmes.

9. Expected Business Benefits

The implementation of the Potato Starch Manufacturing Unit is projected to deliver the following business and economic benefits to M/s. Dhampur Sugar Mills Limited:

- **Profitable Revenue Stream:** Establishment of a new, high-margin product revenue stream with strong and growing domestic and export market demand.
- **Optimal Utilisation of Regional Resources:** Direct utilisation of locally abundant potato as primary raw material, significantly reducing logistics costs and ensuring supply chain resilience.
- **Employment Generation:** Creation of substantial direct employment for skilled, semi-skilled, and unskilled labour from the local community, contributing to regional socio-economic development.
- **Diversified Business Portfolio:** Reduction of business risk through diversification beyond the sugar manufacturing sector into agro-processing, enhancing the group's overall financial resilience.
- **Value Addition at Source:** Conversion of raw agricultural produce into high-value industrial ingredients, enabling the client to capture greater value along the agricultural supply chain.

- Scalability and Future-Readiness: The production infrastructure can be expanded to include modified starch derivatives and co-products, providing a clear pathway for long-term revenue growth.
- Government Incentive Eligibility: Eligibility for capital subsidies, concessional finance, and infrastructure support under multiple central and state government schemes for agro-based industries and MSMEs.

10. Client Decision and Outcome

After a thorough review of the Techno-Economic Feasibility Report and Detailed Project Report (DPR) prepared and submitted by NPCS, the management of M/s. Dhampur Sugar Mills Limited expressed complete satisfaction with the quality, depth, and practical utility of the consultancy deliverables.

The client found the business case for the Potato Starch Manufacturing Unit to be compelling on the following grounds:

- The project was directly aligned with the availability of key raw materials in the client's immediate region.
- The financial projections were conservative, realistic, and bankable — suitable for institutional financing and internal decision-making.
- The recommended manufacturing process was technically proven, commercially established, and environmentally compliant.
- The DPR provided sufficient detail to approach financial institutions, government agencies, and equipment vendors for the next phase of project development.

Based on these findings, M/s. Dhampur Sugar Mills Limited formally decided to proceed with the implementation of the Potato Starch Manufacturing Unit. The client has initiated the subsequent steps of project development, including site finalisation, detailed engineering, and equipment vendor shortlisting, as guided by the NPCS implementation roadmap.

11. Client Testimonial



We approached Niir Project Consultancy Services with a clear objective: to identify a commercially viable and resource-aligned manufacturing opportunity for our group. The NPCS team conducted a thorough assessment of our location, available infrastructure, and regional raw material ecosystem. Their recommendation to establish a Potato Starch Manufacturing Unit was well-founded and backed by solid market intelligence, technical parameters, and detailed financial projections.

The Detailed Project Report (DPR) provided by NPCS was comprehensive, bankable, and immensely helpful in our decision-making process. The document covered everything from plant layout and machinery requirements to profitability analysis and implementation milestones. We are fully satisfied with the quality of consultancy services rendered and are confident in moving forward with the project implementation. We would highly recommend

NPCS to any entrepreneur or business house seeking credible and actionable feasibility studies.

- Management Representative

M/s. Dhampur Sugar Mills Limited, Bijnor, Uttar Pradesh

12. Conclusion

This case study underscores NPCS's unwavering commitment to delivering high-quality, actionable, and bankable project consultancy services that genuinely empower entrepreneurs and industrial enterprises to make confident and informed investment decisions.

The successful engagement with M/s. Dhampur Sugar Mills Limited demonstrates how NPCS's integrated consultancy model — combining rigorous market research, technical assessment, financial modelling, and strategic advisory — can transform a client's investment intent into a well-structured, viable, and executable manufacturing project.

The Potato Starch Manufacturing Unit recommended for M/s. Dhampur Sugar Mills Limited is not merely a business venture; it is a strategically sound investment that leverages regional resources, addresses genuine market demand, creates local employment, and contributes to India's agricultural value-addition agenda under the broader framework of Atmanirbhar Bharat.

NPCS remains committed to providing world-class project consultancy support to entrepreneurs and investors across all stages of project development — from opportunity identification to financial closure and beyond.

13. Partner With NPCS — Start Your Manufacturing Journey Today

Ready to Start Your Manufacturing Journey?

Partner with NPCS - India's Most Trusted Project Consultancy

Whether you are an entrepreneur, MSME, startup, or a seasoned industrial investor, NPCS offers end-to-end techno-commercial consultancy to help you make informed investment decisions. From identifying the right business opportunity to delivering a bankable Detailed Project Report (DPR), we guide you at every step.

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"Turn Your Investment Vision into a Profitable Manufacturing Reality with NPCS"

This case study has been prepared for publication on www.Niir.org. All financial data is indicative. For customised DPR and feasibility study services, contact NPCS directly.