



S.J.M Vidyapeetha , Chitradurga

S.J.M COLLEGE OF ARTS, SCIENCE AND COMMERCE,
CHANDRAYALLI, CHITRADURGA. 577-501
Accredited by NAAC with "A"

Project Report of New Business

ESTABLISHMENT OF POULTRY FORM

SUBMITTED BY- 3rd B.Com

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SUBMITTED TO
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2022-23

OP : ASHWATHAPPA
S/O. THIPPAIAH
D. S. HALLI
CHITRADURGA TALUK & DIST.

K : PRAGATHI KRISHNA
GRAMEENA BANK
D. S. HALLI BRANCH
CHITRADURGA TALUK & DIST.

Proprietor's
Signature

PROJECT AT A GLANCE

Unit Address	: D. S. Halli Chitradurga Taluk & Dist
Promoter's Name & Address	: ASHWATHAPPA S/O THIPPAIAH D. S. HALLI CHITRADURGA TALUK & DIST. POULTRY FARM UNIT (BROILER TYPE)
Project	: OWN
Cost Machinery	: Rs. 6,50,000/-
Cost of Project	: To 5 Persons
Employment	BRIEF BIO-DATA OF PROPRIETORS :
Age	: 60 Years
Qualification	: NIL
Experience	: 20 years
Category	: SC
Working Days	: 365 Days in a year
Chicken birds	: 5000 birds per for each batch production

COST OF PROJECT :

1)	Poultry Shed	: OWN
2)	Machinery & Equipments	: Own
3)	Working Capital	: Rs. 6,50,000/-
	Total Rs.	: Rs. 6,50,000/-

MEANS OF FINANCE

1) Proprietors Contribution	: Rs. 1,50,000/-
2) Bank Loan a. T. Loan : Nil b. W. Cap : 5,00,000/-	: Rs. 5,00,000/-
Total Rs.	: Rs. 6,50,000/-

INTRODUCTION :

Shri. Ashwathappa is already establish POULTRY FARM UNIT at D. S. Halli, Chitradurga Taluk & District.

The unit is having its own poultry shed and equipments that are needed to poultry farm.

The capacity of the unit is 5000 chick birds production for each batch.

The unit needs working capital amount of Rs. 6,50,000/- to purchase Poultry feeds to the existence of Poultry Farm.

Labour salary and other needed experiences cost will also required in the existence of Poultry Farm.

The unit is requesting the bank authorities to issue Rs. 6,50,000/- amount as working capital amount to the unit.

Chicken birds are essential non-vegetarian food to all the non-vegetarian persons.

Chitradurga District 70% of the population is covered with non vegetarian group which are needed chicken birds as one of the non-vegetarian food raw material.

BIO - DATA

Sri. Ashwathappa S/o. Thippaiah, resident of D. S. Halli, Chitradurga Taluk & District is the proprietor of the unit. Proprietor is aged about 60 Years. Proprietor studied SSLC. Proprietor belongs to SC Category. The proprietor of the unit is experienced person in the field of POULTRY FARM UNIT since 20 years at Chitradurga Dist.

MARKET

Chicken birds are essential non-vegetarian food to all the non-vegetarian persons. Chitradurga District 70% of the population is covered with non vegetarian group which are needed chicken birds as one of the non-vegetarian food raw material. All the chicken sales centers and non-vegetarian hotels are the marketing centers for Chicken Bird.

RECOMMENDATION

There is regular demand to Chicken Birds and Chitradurga Dist. "THE INDUSTRY IS TECHNICALLY FESIBLE AND ECONOMICALLY VIABLE AND HENCE RECOMMENDED TO IMPLEMENTATION."

Annexure 1

CURRENT CHARGES	: AEH/ Daily 20 Units x 65 Days x Rs. 5.20 = Rs. 37,960/-
LABOUR WAGES	: 05 Persons x Rs. 3,000 x 12 Months =Rs. 1,80,000/-
DOCTORS FEE	: Rs. 5,000 per month x 12 months = Rs. 60,000/-
WATER CHARGES	: Rs. 40,000/-

Annexure 2
DETAILS TO COST OF PRODUCTION

1) Chick purchase cost at 100% Ratio / One Batch / 45 Days (08 Batch x 5,000

Chicks = 40,000 Chicks per year)

Year	Batch Size	Total Batches	Total Chicks	Price Per Chick	Total Cost
One year	5,000 Birds per each batch	08	40,000/-	Rs. 13.60	Rs. 5,44,000/-

2) Feeds and Medicine Cost

Year	Total Chicks	Feed / KGS Per Bird	Total Feed/Kgs	Feed Cost per Kg.	Total Feed Cost
1) Feeds Cost	40,000/-	2 KG	80,000/-	Rs. 10/-	8.00 LKS
1) Medicines Cost	40,000 Birds x Rs. 2/-				0.80 LKS

3) Sales Cost

Sales Cost	One Year	Cost/Each 1 Kg Wt.	Total Cost
A) Sale of Broilers/1Kg Weight	40,000/-	Rs. 60/-	Rs. 24,00,000/-
A) Sale of Manure (Chick Manure)	40,000 KG	Rs. 5/-	Rs. 2,00,000/-
TOTAL RS.			Rs. 26,00,000/-

Annexure 3

COST OF PRODUCTION & PROFITABILITY STATEMENTS (RS. LKS)

Sl. No.	Particulars	I YR	II YR	III YR	IV YR	V YR
	INSTALLED CAPACITY/CHICKS/NOS/LKS	0.40	0.40	0.40	0.40	0.40
	CAPACITY UTILISATION (%)	80	85	90	95	100
A.	CHICK COST (BABY BIRD)	4.35	4.62	4.90	5.17	5.44
B.	FEEDS COST	6.40	6.80	7.20	7.60	8.00
C.	MEDICINE COST	0.64	0.68	0.72	0.76	0.80
	TOTAL (A TO C)	11.39	12.10	12.82	13.53	14.24
D.	UTILITIES					
	WATER CHARGES	0.32	0.34	0.36	0.38	0.40
	CURRENT CHARGES	0.30	0.32	0.34	0.36	0.38
	TOTAL 'D'	0.62	0.66	0.70	0.74	0.78
E.	LABOUR O/H	1.60	1.89	1.98	2.10	2.20
F.	UNIT O/H 5% RAW MATERIAL COST	0.35	0.37	0.40	0.42	0.44
G.	ADMINISTRATIVE O/H 10% SALES COST	2.08	2.20	2.34	2.46	2.60
H.	DOCTOR'S FEE	0.60	0.65	0.70	0.75	0.80
	TOTAL (E TO H)	4.83	5.11	5.42	5.73	6.04

Annexure 3 (Contd ...)

Sl. No.	Particulars	I YR	II YR	III YR	IV YR	V YR
I	TRANSPORT EXPENSES 5% SALES	1.04	1.10	1.17	1.23	1.30
J	COST OF PRODUCTION (A TO H)	17.88	18.97	20.11	21.23	22.36
K.	SALES REALIZATION	20.60	22.10	23.40	24.70	26.00
L.	PROFIT BEFORE FIN. EXPENSES	2.92	3.13	3.29	3.47	3.64
M.	INTEREST	0.70	0.56	0.42	0.28	2.14
N.	GROSS PROFIT (L - (M+N))	2.22	2.57	2.87	3.19	3.50
O.	TAXES	0.22	0.26	0.29	0.32	0.35
P.	NET PROFIT	2.00	2.31	2.58	2.87	3.15

Annexure 4
LOAN REPAYMENT SCHEDULE
Rs. 5.00 LKS
Int. Rate : 14.00% P. A.

OPTG. Year	Installments QRTLY	Balance QRTLY	Interest QRTLY	Annual Install	Annual Interest
I	0.25	4.75	0.18		
	0.25	4.50	0.18		
	0.25	4.25	0.17		
	0.25	4.00	0.17	1.00	0.70
II	0.25	3.75	0.14		
	0.25	3.50	0.14		
	0.25	3.25	0.14		
	0.25	3.00	0.14	1.00	0.56
III	0.25	2.75	0.11		
	0.25	2.50	0.11		
	0.25	2.25	0.10		
	0.25	2.00	0.10	1.00	0.42
IV	0.25	1.75	0.07		
	0.25	1.50	0.07		
	0.25	1.25	0.07		
	0.25	1.00	0.07	1.00	0.28
V	0.25	0.75	0.04		
	0.25	0.50	0.04		
	0.25	0.25	0.03		
	0.25	0.00	0.03	1.00	0.14

Annexure - 6
WORKING REQUIREMENTS

No.	Particulars	Period / Days	Amount / Rs: LKS
	RAW MATERIALS	120	Rs. 3.74 Lks
	LABOUR O/H	120	Rs. 0.59 Lks
	INTEREST	120	Rs. 0.23Lks
	UTILITIES	120	Rs. 0.20 Lks
	BILLS RECEIVABLE	-	Rs. 1.74 Lks
		TOTAL Rs.	Rs. 6.50 LKS

te:

working days : 365 days in a year
1 year costs are considered to calculate working capital requirements.

DEBT SERVICE COVERAGE RATIO

Sr No.	DESCRIPTIONS	I YR	II YR	III YR	IV YR	V YR
	CASH ACRUALS					
I.	NET PROFIT	2.00	2.31	2.58	2.87	3.15
2.	INTEREST	0.70	0.56	0.42	0.28	0.14
	TOTAL 'I'	2.70	2.87	3.00	3.15	3.29
	DEBT TO BE SERVICES					
I.	INTEREST	0.70	0.56	0.42	0.28	0.14
2.	INSTALMENT	1.00	1.00	1.00	1.00	1.00
	TOTAL 'II'	1.70	1.56	1.42	1.28	1.14
III	D.S.C.R. - III	1.59: 1	1.84: 1	2.11:1	2.40:1	2.89:1
IV.	C.D.S.C.R. FOR 5 YEARS			2.18:1		

Annexure 6
RETURN ON INVESTMENTS

A.	COST OF PROJECT	:	Rs. 6.50 LKS
B.	OPERATING YEARS	:	05 YEARS
C.	CUM. PROFIT BEFORE TAX	:	Rs. 14.35 LKS
D.	CUM. PROFIT AFTER TAX	:	Rs. 12.91 LKS
E.	CUM. INTEREST	:	Rs. 2.10 LKS

RETURN ON INVESTMENTS

I.	PROFIT BEFORE TAX	=	$\frac{C+E}{A \times D} = 50.61\%$
I.	PROFIT AFTER TAX	=	$\frac{D+E}{A \times B} = 46.18\%$

BREAK EVEN ANALYSIS

Sr No.	Particulars	I YR	II YR	III YR	IV YR	V YR
	INSTALLED CAPACITY					
I.	CHICKS/LKS/NOS.	0.40	0.40	0.40	0.40	0.40
2.	CAPACITY UTILISATION (%)	80	85	90	95	100
3.	SALES REALIZATION/RS. LKS	20.80	22.10	23.40	24.70	26.00
I.	VARIABLE COST					
A.	CHICK FEED MEDICINE COST	11.39	12.10	12.82	13.53	14.24
B.	UTILITIES	0.62	0.66	0.70	0.74	0.78
C.	LABOUR'S DOCTOR FEE	2.40	2.54	2.68	2.85	3.00
D.	TRANSPORT	1.04	1.10	1.17	1.23	1.30
	TOTAL 'I'	15.45	16.40	17.37	18.35	19.32
II.	FIXED EXPENSES					
A.	INTEREST	0.70	0.56	0.42	0.28	0.14
B.	UNIT OVER HEADS	0.35	0.37	0.40	0.42	0.44
C.	ADMINISTRATIVE OVER HEADS	2.08	2.20	2.34	2.46	2.60
	TOTAL 'II'	3.13	3.13	3.16	3.16	3.18
III.	CONTRIBUTION = SALES - V.COST	5.35	5.70	6.03	6.35	6.68
IV.	BREAK EVEN POINT (%) =	58.50	54.91	52.40	49.75	47.60
V.	BREAK EVEN SALES/RS. LKS	16.64	18.78	21.06	23.46	26.00

PROJECT CASH FLOW STATEMENTS

(Rs. LKS)

SL. NO.	DESCRIPTIONS	DATA	I YR	II YR	III YR	IV YR	V YR
A.	SOURCES OF FUNDS						
1.	OPENING BALANCE	0.00	0.00	1.22	2.79	4.66	6.85
2.	PROFIT BEFORE FIN. EXP	0.00	2.92	3.13	3.29	3.47	3.64
3.	LOAN	5.00					
4.	PRCP CONTRIBUTION	1.50					
	TOTAL 'A'	6.50	2.92	4.35	6.08	8.13	10.49
B.	APPLICATION OF FUNDS						
1.	CAPITAL EXPENDITURE	0.00					
2.	WORKING CAPITAL	6.50					
3.	INTEREST	0.00	0.70	0.56	0.42	0.28	0.14
4.	INSTALLMENT	0.00	1.00	1.00	1.00	1.00	1.00
	TOTAL 'B'	6.50	1.70	1.56	1.42	1.28	1.14
C.	CLOSING BALANCE (A.B)	0.00	1.22	2.79	4.56	6.85	9.35

PROJECTED BALANCE SHEET (RS. LKS)

Sl. No.	DESCRIPTIONS	DATA	I YR	II YR	III YR	IV YR	V YR
LIABILITES							
A.	PROPRIETOR	1.50	1.50	2.34	3.23	4.14	5.15
1.	CAPITAL A/C	5.00	4.00	3.00	2.00	1.00	0.00
2.	LOAN	00.00	2.00	2.31	2.58	2.87	3.15
3.	NET PROFIT	6.50	7.50	7.65	7.81	8.01	8.30
TOTAL 'A'							
ASSETS							
B.	CIVIL WORKS	0.00	0.00	0.00	0.00	0.00	0.00
1.	EQUIPMENTS	0.00	0.00	0.00	0.00	0.00	0.00
2.	WORKING CAPITAL	6.50	6.50	6.50	6.50	6.50	6.50
3.	CLOSING STOCK	0.00	0.00	0.00	0.00	0.00	0.00
4.	CASH IN HAND	0.00	0.25	0.25	0.31	0.41	0.50
5.	CASH AT BANK	0.00	0.25	0.30	0.35	0.40	0.50
6.	SUNDRY DEBTORS	0.00	0.50	0.60	0.65	0.70	0.80
TOTAL		6.50	7.50	7.65	7.81	8.01	8.30

