



# DAVANAGERE UNIVERSITY

S.J.M Vidyapeetha ®, Chitradurga

**S.J.M College of Arts, Science and Commerce,  
Chandravalli, Chitradurga. 577501**

Accredited by NAAC with "A"

## PROJECT REPORT OF NEW BUSINESS

Broiler Poultry Form

**SUBMITTED BY- 3<sup>rd</sup> B.Com**

- 1 Varshitha D
- 2 Veena V
- 3 Vidya N R

**SUBMITTED TO**

**Dr. R.V Hegadal**  
Associate Professor  
Dept. of Commerce

**-: 2020-21 :-**

PROJECT  
FOR A  
BROILER POULTRY FARM

By

Ashwathappa S/o Mestri Thippaiah  
AT.

Village : Doddasiddavvanahalli,

Taluk : Chitradurga

District : Chitradurga

## **ANNEXURE - 1**

Economics of Broiler Farming – at a  
Glance

**Name of the Promoter :**

Ashwathappa S/o Mestri Thippaiah

**Financing Bank :**

1.	Unit Size	:	5000 broiler bir per batch
2.	System of rearing	:	Deep litter system
3.	Place	:	Doddasiddavvanahalli
4.	State	:	Karnataka
5.	No. of batches in a year	:	6
6.	Unit cost	:	11,21,100-00
7.	Bank loan	:	8,78,900-00
8.	Margin Money (20%)	:	2,42,200-00
9.	Subsidy	:	Beneficiary is eligible fo 33.33% subsidy dl subsidy
10.	Repayment period	:	5 years with six months grace period
11.	Interest rat (%)	:	14.75%

1	Space requirement per bird	1 sq. ft
2	Cost of construction of shed	100/sq. ft.
3	Equipment cost	12/bird
4	Cost of day old chicks	18/chick
5	Feed requirement	3.8 kg/bird
6	Average feed cost	17/kg.
7	Average weight on selling	2 kg.
8	Selling price of birds	54/ kg
9	Mortality in 6-7 weeks (%)	4
10	Supply of free chicks (%)	4
11	No. of birds sold in each batch	5000
12	Insurance (%)	4

**ECONOMICS OF BROILER FARMING - CASH FLOW ANALYSIS**

Sl. No.	Particulars	I	II-IV	V
1	Costs			
1	Capital cost:	6,67,500		
2	Recurring costs:		0	0
a)	Cost of chicks	4,50,000	5,40,000	5,40,000
b)	Cost of feed	16,15,000	19,38,000	19,38,000
c)	Insurance	18,000	21,600	21,600
d)	Medicine	1,25,000	1,50,000	1,50,000
e)	Labour cost	72,000	72,000	72,000
	<b>Total Costs</b>	<b>22,80,000</b>	<b>27,21,600</b>	<b>27,21,600</b>
II	<b>Benefits</b>			
1	Sale of birds	27,00,000	32,40,000	32,40,000
2	Sale of manure	25,000	30,000	30,000
3	Sale of gunny bogs	12,600	15,100	15,100
4	Depreciated value of			
a)	Sheds	-	-	2,95,245
b)	Equipment (including water supply equipment)	-	-	35,429
	<b>Total Benefits</b>	<b>27,37,600</b>	<b>32,85,100</b>	<b>36,15,774</b>
	<b>NET Benefit</b>	<b>4,57,600</b>	<b>5,63,500</b>	<b>8,94,774</b>

# ANNEXURE - V

## ECONOMICS OF BROILER FARMING REPAYMENT SCHEDULE

Bank Loan : 8,78,900-00  
Interest Rate : 14.75%

Year	Income	Expenses	Gross Surplus	Loan Balance	Interest	Repayment Principle	Total	Net Surplus
I	2737600	2280000	457600	878900	129638	158900	288538	169062
II	3285100	2721600	563500	720000	106200	180000	286200	277300
III	3285100	2721600	563500	540000	79650	180000	259650	303850
IV	3285100	2721600	563500	360000	53100	180000	233100	330400
V	3615774	2721600	894174	180000	26550	180000	206550	687624

## ANNEXURE - 6 CASH FLOW ANALYSIS

Details of Cash flow	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10 to 15	Total
Investment	11.20	0	0	0	0	0	0	0	0	0	
Net Income before Development	0.00	0.00	0.00	0.00	0.00						
Net Income after Development	4.58	5.64	5.64	5.64	8.94						
Discount factor @ 15%	0.870	0.756	0.658	0.572	0.497						
Discounted Investment	9.74										9.74
Discounted Income	3.98	4.26	3.71	3.22	4.44						19.61
Benefit cost Ratio – Discounted income divided by discounted investment = $19.61 / 9.74 = 2.01 : 1.00$											
Net Percent Worth – Discounted income minus discounted investment = $19.61 - 9.74 = 9.87$											
Present worth	.6.62	5.64	5.64	5.64	8.94						
Discounted present worth @ 50%	0.667	0.444	0.2%	0.198	0.132						
Discounted present worth @ 50%	.4.41	2.50	1.66	1.11	1.18						2.04



**ANNEXURE**  
**DEBT SERVICE COVERAGE RATIO**  
Rs. In 1 Lakha

Sl. No.	Particulars/Year	1	2	3	4	5
1	NET PROFIT	3.28	4.58	4.84	5.11	8.67
2	INTEREST ON LOAN	1.80	1.06	0.80	0.53	0.27
	TOTAL - A	4.58	5.64	5.64	5.64	8.94
3	TERM LOAN RE PAID	1.59	1.80	1.80	1.80	1.80
4	INTEREST ON LOAN	1.80	1.06	0.80	0.53	0.27
	TOTAL - B	2.89	2.86	2.60	2.33	2.07
5	D.S.C.R. (A/B)	1.58	1.97	2.16	2.42	4.51
6	AVERAGE D.S.C.R			2.48		