

# Pre-Feasibility Study

## ENVIRONMENTAL CONTROLLED POULTRY FARM

(30,000 Birds)



### Small and Medium Enterprise Development Authority Government of Pakistan

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# 1 INTRODUCTION

## 1.1 Project Brief

The poultry farm is a project of livestock sector, in which, the day old chicks (DOCs) are raised on high protein feed for a period of six weeks. Broiler meat is the cheapest source of animal protein available in the country. The time required for rearing broiler birds is lesser than that for large animals. The consumption of white meat is increasing due to growing health consciousness in the masses. Broiler farming is a profitable venture due to continuous increasing demand of the meat in the market. Annually, seven flocks of birds will be reared on the same premises of the farm. The broiler birds are sold to traders and the whole sellers markets in the urban areas. Some times birds can also be sold directly to the shopkeepers in the urban markets.

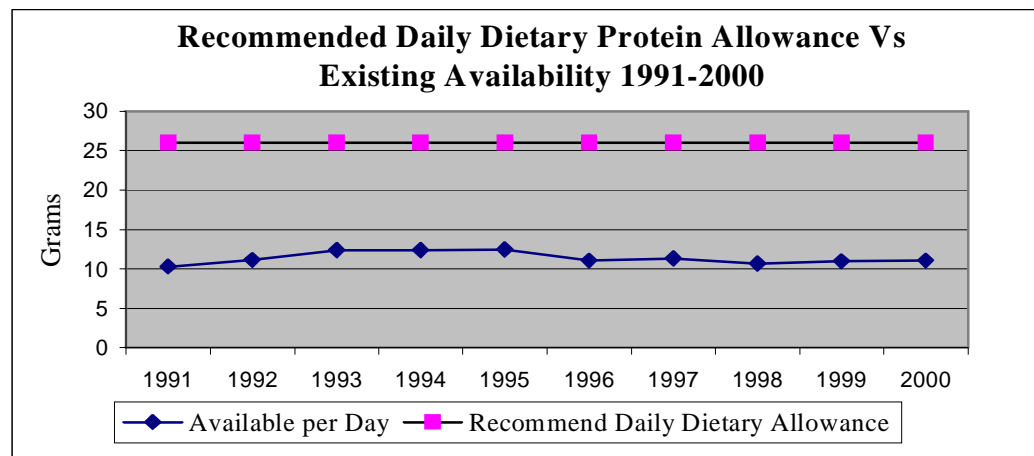
## 1.2 Opportunity Rationale

Broiler meat is the cheapest source of animal protein available in the country. The time required for raising broiler birds is lesser than that for big animals. The consumption of white meat is increasing due to growing health consciousness in the masses.

According to the Agriculture Statistics of Pakistan the per capita consumption of poultry meat is increasing at a rate of 4% per annum.

The existing daily availability of protein quantity per capita in Pakistan deriving from animal source including beef, mutton, poultry and fish combined amounts to 11 grams. This is far less than the recommended daily dietary protein allowance from animal source of 26 grams according to the World Health Organization standards.

**Figure 1-1: Daily Protein Consumption<sup>1</sup>**



<sup>1</sup> Source: SMEDA survey 2001

### 1.3 Total Project Cost

A Controlled Poultry Farm with a population of 30,000 birds established in a purpose-built controlled shed needs a capital investment of about Rs 10.5 million for construction and purchasing farm machinery and equipment. In addition to this, a sum of Rs 2.3 million is required as working capital, which will be used for purchasing day old chicks and raw material (feed & vaccines) etc.

### 1.4 Proposed Capacity

In this pre-feasibility study, all the calculations have been based on a flock size of 30,000 birds, with raising seven flocks per year. There will be a lag time of two weeks for cleaning and fumigation of the farm.

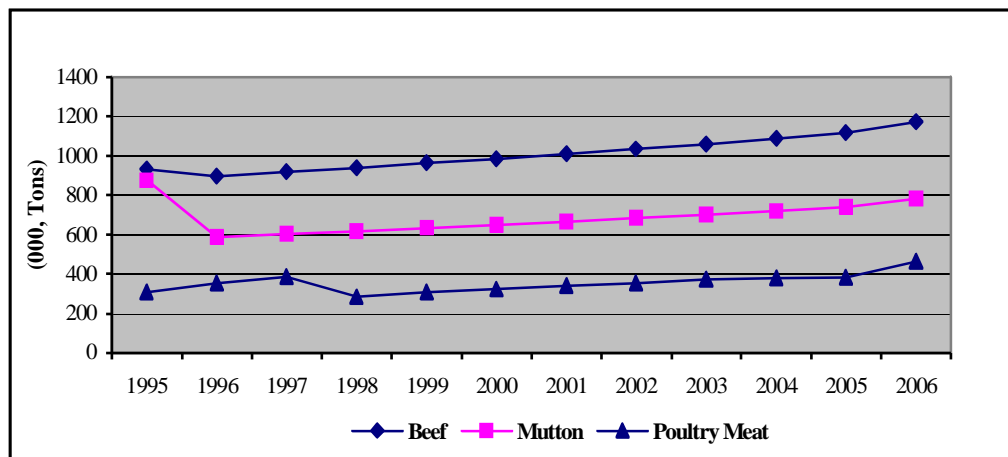
## 2 CURRENT INDUSTRY STRUCTURE

The generation line of broiler comes from pure line, which is imported. This produces grand parents for parent stocks and parent stock end up in producing the final product. The farmers get day old broiler from hatcheries. These hatcheries maintain their breeder farms, or in some cases, purchase their hatching eggs from breeder farms. These breeder farms depend on producers of parent stock.

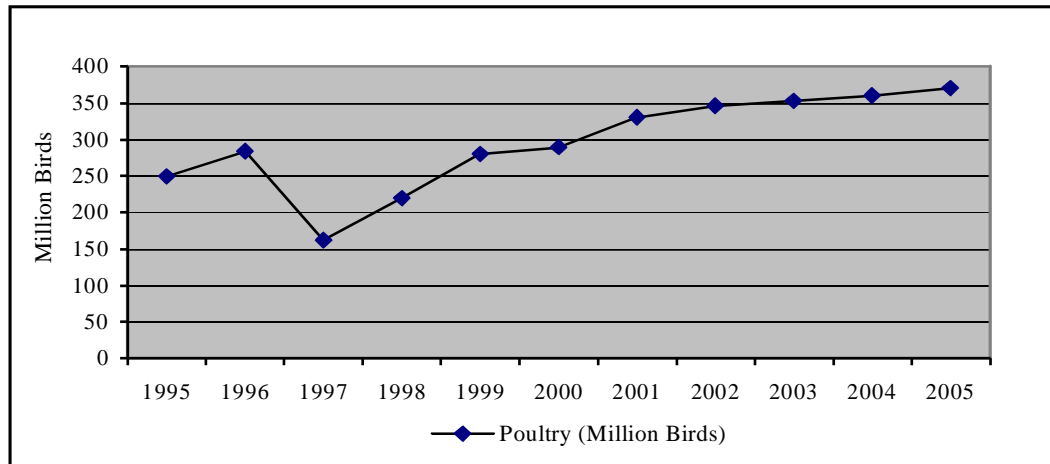
Poultry feed mills are the major player in the poultry industry, which produce a specific formula feed mix. Poultry feed consists of rich protein elements like grains, gluten, blood meal, fishmeal and soyabean meal. The major component of cost of production of chicken meat accounts for feed cost.

The poultry meat production has showed a growing trend over the past few years after a dip in 1997 due to the ban imposed on wedding dinners. The meat production trend of chicken meat, beef and mutton from the year 1995-2006 is presented below.

**Figure 2-1: Meat Production Trends<sup>2</sup>**



<sup>2</sup> Source: Agricultural Statistics of Pakistan 2005-2006

**Figure 2-2: Broilers' Population (1995-2005)**

Presently, poultry industry contributes a large segment to the national economy with an investment of more than 70 billion of rupees and has become the second largest industry after textile in Pakistan. The sector consists of 280 hatcheries, 139 feed mills and more than 20,000 layer, broiler and breeding farms. Pakistan's poultry industry is importing 100,000 Grandparents (GP) chicks annually from Holland, Germany and USA with the cost of US\$26 per day-old D-line female chick. This GP is producing 5 million parent flock giving rise to 500 million commercial broilers producing 450,000 metric tones of poultry meat. In this way, poultry sector is contributing its major share to provide animal protein to the common masses and is striving hard to fulfill the gap of animal protein in the country. But this important sector is facing a great problem in the form of heat stress. Hot and humid weather conditions coupled with manual and poor management practices increases the mortality in flocks, depresses their growth and makes poultry production an unmanageable and uneconomical pursuit, resulting into severe shortage of poultry meat. Environment controlled houses can overcome this critical situation, which counteracts the adverse effects of heat stress providing tunnel ventilation and enhancing the wind chill effect. These houses when equipped with highly mechanized system of automatic chain feeding and nipple drinking makes the environment quite conducive for poultry production.

Though this industry is a source of food and employment for million of people, but is facing a major impediments in its progress in the form of heat stress. Pakistan is a tropical country and during summer the temperature reached up to 40C. Even the average temperature remains well beyond the higher side of thermo neutral zone for the greater part of the year. Their business is also adversely affected for four long months due to severe environment. During this period they have to either continue their flock compromising with poor performance in feed intake, growth rate, weight gain, FCR in broilers along with mortality or they have to totally close their business

to avoid all these risks. This situation creates severe shortage of poultry meat which is the cheapest and easily available source of animal protein.

## 2.1 Comparative Efficiency of Environment Control (ECH) and Conventional Open-Side House (COH)

The modern trend of environment control houses (ECH) in poultry production has brought a great revolution in poultry industry of Pakistan in the recent years. This has solved a great hurdle of heat stress in the way economical commercial poultry production. The ECH with evaporative cooling system, providing tunnel ventilation, giving the wind chill effect has markedly improved the broiler production system. The technology of ECH is rapidly becoming popular among broiler producers due to its following significant advantages:

1. The ECH brings down the temperature by 10 to 15C as compared to the conventional open-sided houses (COH) and makes it comfortable like colder regions.
2. ECH maintains the uniform temperature round the clock providing very conducive environment to the broilers avoiding fluctuation in the day and night temperature.
3. Due to severe heat stress during 4 long summer months the broiler production is stopped in COH, resultantly only 4-5 flocks are possible in such houses in a year. However, in ECH 7 flocks are marketed without any break.
4. ECH being complete closed system has minimized the incidence of diseases, cutting down the cost of vaccine and medication i.e.Rs.2/bird against Rs.5/bird in COH.
5. Mortality in ECH has been decreased to 2%-3% as compared to 10% in COH.
6. Installation of highly mechanized automatic feeding and nipple drinking system in ECH has provided the solution of manual and poor management practices. One houseman at daytime and one at night time are sufficient to look after a flock of 35,000 birds. In COH nearly 6-8 housemen are required to manage such a flock.
7. Equal distribution of feed and water to broilers through automatic system in ECH has markedly improved the uniformity up to 95% as compared to 75% in COH.
8. In ECH a broiler flock is ready for market in 35 days as compared to 42 days in COH.
9. An individual broiler in COH usually consumes 3 to 3.3 kg feed to gain 1.5 kg weight reflecting its Feed Conversion Ratio (FCR) = 2 to 2.2. Whereas this figure of FCR is improved to 1.8 in ECH.

All these significant features in ECH has reduced the cost of production of broiler to Rs. 35/Kg as compared to Rs.40/Kg in COH.

### 3 MARKETING

The marketing of chickens follows the traditional channels of distribution. Generally, broilers are distributed in the market through middlemen (Arti) and wholesalers. The role of Arti is to identify a farm and negotiate the price. In some cases, the middleman provides Day Old Chicks and other farm inputs (feed, etc.) to the broiler farmers and then agrees to buy back the mature birds from them.

Birds are transported to the urban market and are sold to retailers or market-street poultry shops. Birds are sold on live-weight basis. The time spent in getting broilers from the farm to the retail shop is brief. Although collection and handling of birds has improved with the use of loader vehicles, but it is an established fact that greater the distance between the poultry producer and consumer, more complicated is the marketing system including their collection, handling and transportation to the consumer or processing plants. The processing plant produces dressed chicken (slaughtered and cleaned). However, a very small amount of dressed chicken is available in the local retail market. The integrated processing units distribute frozen and dressed chicken packed in whole or cut-ups to the consumer through retail shops under their brand names.

The trick in marketing is quick availability of market information of chicken supply and demand, which will determine the selling price.

### 4 FARM MANAGEMENT

Farm input required for a Controlled Shed includes farm equipment (drinkers, feed trays, brooders, and feeders), electronic fixtures and other consumer items (feed, vaccines & medicines, rice-husk or saw-dust, water, electricity, etc.).

#### 4.1 Proposed Controlled Poultry Farm

This unit will work for the production of broilers. These birds are marked for meat purpose to the common masses. The broiler chicks will be purchased from private hatchery. A flock of 35,000 commercial broiler chicks will be bought after every 6 weeks. The chicks will be set in brooding on litter floor providing specific requirement during 0-4 week and then finishing phase from 4-6 weeks. The entire specific requirement will be met by automatic operations of temperature control, feeding and nipple drinking system, which will be monitored by the concerned staff. After marketing of broiler at 5 weeks of age the broiler house will be given 1 week for the preparation to receive the new flock. During this week, proper cleaning, washing, white washing, disinfection and fumigation will be performed prior to the arrival of the new flock. During flock, strict measures for bio-security will be observed at the unit. The following practices starting from arrival of the chicks to marketing of broilers will be performed under the supervision of an expert.

10. Thermostatically temperature control: Low temperature will be controlled with the help of diesel heaters and high temperature with evaporative cooling system.

11. Watering through automatic nipple drinking system.
12. Feeding through automatic feeding system.
13. Specific vaccination schedule will be adopted for disease control.
14. Prophylactic medication will be provided according to requirement.
15. Sanitation and disinfection program will be strictly followed during and after the completion of one flock.
16. Computerized record will be maintained for feed intake, body weight, FCR and mortality.
17. Marketing of finished (ready) broilers.

## 5 PRODUCT

The proposed project will generate revenues from sale of chicken. Assumptions used for the product mix are as follows:

**Table: Product Mix**

Product	Avg. Weight	Price per Kg
Chicken	1.8	Rs. 75

**Table 10.2: Production Assumptions:**

Number of Flocks per year	7.00
Number of Birds per Flock	30,000
Time required per Flock (Days)	35
Lag time required per Flock (Days)	15
Total Annual Production Capacity	210,000
Average weight per bird (kg)	1.80
Shed Space Required per Bird (Sqft)	0.60
Sale price growth rate	5%
Production capacity utilization	100%

## 6 MANPOWER REQUIREMENTS

Semi skilled workers are needed to look after the feeding, vaccination and cleaning operations at the farm. Three people will be hired to manage the operations of the automated shed. The personal needed for the farm is as under:

Description	No.	Salary
Doctor	1	10,000
Supervisor	1	5,000

Houseman	3	4,000
Electrician	1	5,000
Watchman	2	4,000
Driver	1	3,500

## 7 TECHNOLOGY

### 7.1 Machinery & Equipment Requirement

Various types of farm equipment are needed for feeding, drinking and handling the birds. List of farm equipment, which will be needed, is as under:

**Table 8.1: Machinery Details**

Description		Amount (PKR)
VAL PAN Feeding system		420,357
Nipple Drinking System		360,523
Watering System		16,372
Fill System		52,476
Manual Winching for Feeder Lines		36,197
Feed Storage		98,464
Feed Hopper Fill System		70,232
Tunnel Ventilation System		487,850
Minimum and Transitional Ventilation		81,340
Environmental Control		109,706
<b>Total Machinery Cost</b>		<b>1,733,517</b>
Generator Set		750,000
Fire Extinguisher etc.		25,000
<b>Total Machinery &amp; Equipment Required</b>		<b>2,508,517</b>
Erection & Installation	1%	25,085
Contingencies	1%	25,085
<b>Total Machinery &amp; Equipment Required (incl. Erection &amp; Installaion etc.)</b>		<b>2,558,687</b>

### 7.2 Machinery Suppliers

- Ahmad W. Naseer  
Biovet Pvt limited  
97-A, Jail Raod, Lahore  
Off # 042-7534508

Mobile +92-300-8444202  
 Web: [www.biovet.com.pk](http://www.biovet.com.pk)  
 Email [ahmad.waqas@biovet.com.pk](mailto:ahmad.waqas@biovet.com.pk)

## 8 LAND & BUILDING

**Table 7-1 Space Requirement**

Description	Area (sq.ft.)	Cost (Rs. / sq.ft.)	Total
Shed Space	18,000	250	4,500,000
Feed Store	1,496	250	374,000
Rooms for Guard and Workers	610	400	244,000
Doctor's Residence	1096	600	657,600
Pavement/driveway	212	50	10,601
Boundary Walls			500,000
<b>Total Building Infrastructure</b>	<b>21,414</b>		<b>6,286,201</b>

### 8.1 Recommended Mode for Acquiring Land

It is recommended that the proposed project should be started on a purchased land.

### 8.2 Suitable Locations

Suburban and rural areas around the major cities of the country are the suitable areas for setting up a poultry farm. Setting up a farm at an isolated place will minimize the risk of disease.

Proximity of the farm to the city enables the farmer to have a quick communication with the market for the purchase of Day Old Chicks, farm inputs (feed, etc.), and selling of mature birds.

### 8.3 Infrastructure Requirement

Poultry's farming needs to be handled tactically, right from the selection of the site to the final stage when the birds are sold. The farm should be located at a place where transportation of birds and feed can be handled easily.

The entrepreneur should make sure that the following things are available at the farm site before setting up the farm:

- Electricity connection
- Drinking quality water

## 9 PROJECT COST

**Table 8-1 Project Economics**

<b>Capital Investment</b>	<b>Rs. in actuals</b>
Land	1,500,000
Building/Infrastructure	6,286,201
Machinery & equipment	2,558,687
Furniture & fixtures	49,000
Office equipment	37,000
Pre-operating costs	79,513
Total Working Capital	2,350,688
<b>Total Investment</b>	<b>12,861,090</b>

**Table 8-2 Project Return**

	<b>Project</b>
IRR	56%
Payback Period (years)	1.96
NPV (Rs)	22,827,127

**Table 8-3 Financing Plan**

<b>Financing</b>		<b>Rs.</b>
Equity	60%	7,713,322
Debt	40%	5,147,768

## 10 FINANCIAL ANALYSIS

### 10.1 Project Cost

<b>Capital Investment</b>	<b>Rs. in actuals</b>
Land	1,500,000
Building/Infrastructure	6,286,201
Machinery & equipment	2,558,687
Furniture & fixtures	49,000
Office equipment	37,000
Pre-operating costs	79,513
<b>Total Capital Costs</b>	<b>10,510,402</b>

<b>Working Capital</b>	<b>Rs. in actuals</b>
Raw material inventory**	1,850,688
Cash	500,000
<b>Total Working Capital</b>	<b>2,350,688</b>

<b>Total Investment</b>	<b>12,861,090</b>
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<b>Initial Financing</b>	<b>Rs. in actuals</b>
Debt	5,147,768
Equity	7,713,322
Export re-finance facility	-

\* Provisioning for the first year installments

\*\* Raw material inventory based on per/flock approx.

## 10.2 Projected Income Statement

Statement Summaries		Controlled Shed Farm - SMEDA									
Income Statement		Rs. in actuals									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Revenue	28,560,000	29,977,500	31,465,875	33,028,669	34,669,602	36,392,582	38,201,711	40,101,297	42,095,862	44,190,155	
Cost of goods sold	21,017,380	22,092,274	23,223,315	24,413,551	25,666,206	26,984,691	28,372,618	29,833,811	31,372,320	32,992,435	
Gross Profit	7,542,620	7,885,226	8,242,560	8,615,118	9,003,396	9,407,891	9,829,093	10,267,486	10,723,542	11,197,720	
<i>General administration &amp; selling expenses</i>											
Administration expense	327,540	360,294	396,323	435,956	479,551	527,506	580,257	638,283	702,111	772,322	
Utilities expense	188,219	207,041	227,745	250,520	275,572	303,129	333,442	366,786	403,465	443,811	
Travelling & Comm. expense (phone, fax, etc.)	6,360	6,996	7,696	8,465	9,312	10,243	11,267	12,394	13,633	14,997	
Office expenses (stationary, etc.)	3,180	3,498	3,848	4,233	4,656	5,121	5,634	6,197	6,817	7,498	
Insurance expense	-	-	-	-	-	-	-	-	-	-	
Professional fees (legal, audit, etc.)	14,280	14,989	15,733	16,514	17,335	18,196	19,101	20,051	21,048	22,095	
Depreciation expense	578,779	578,779	578,779	578,779	578,779	578,779	578,779	578,779	578,779	578,779	
Amortization expense	15,903	15,903	15,903	15,903	15,903	-	-	-	-	-	
Property tax expense	-	-	-	-	-	-	-	-	-	-	
Miscellaneous expense	315,261	331,384	348,350	366,203	384,993	404,770	425,589	447,507	470,585	494,887	
Subtotal	1,449,521	1,518,883	1,594,376	1,676,572	1,766,100	1,847,745	1,954,068	2,069,996	2,196,437	2,334,388	
Operating Income	6,093,099	6,366,343	6,648,184	6,938,545	7,237,296	7,560,146	7,875,024	8,197,490	8,527,105	8,863,331	
Other income	100,593	268,497	438,751	621,382	817,803	1,043,575	1,308,790	1,599,836	1,908,591	2,304,327	
Gain / (loss) on sale of assets	-	-	-	-	-	-	-	-	-	-	
Earnings Before Interest & Taxes	6,193,692	6,634,840	7,086,934	7,559,927	8,055,099	8,603,720	9,183,815	9,797,326	10,435,696	11,167,658	
Interest expense	191,267	703,892	567,030	408,680	225,466	41,391	-	-	-	-	
Earnings Before Tax	6,002,425	5,930,948	6,519,904	7,151,247	7,829,633	8,562,330	9,183,815	9,797,326	10,435,696	11,167,658	
Tax	-	-	-	-	-	-	-	-	-	-	
<b>NET PROFIT/(LOSS) AFTER TAX</b>	6,002,425	5,930,948	6,519,904	7,151,247	7,829,633	8,562,330	9,183,815	9,797,326	10,435,696	11,167,658	
Balance brought forward		6,002,425	11,933,373	18,453,278	25,604,525	33,434,158	41,996,488	51,180,302	60,977,628	71,413,324	
Total profit available for appropriation	6,002,425	11,933,373	18,453,278	25,604,525	33,434,158	41,996,488	51,180,302	60,977,628	71,413,324	82,580,982	
Dividend	-	-	-	-	-	-	-	-	-	-	
Balance carried forward	6,002,425	11,933,373	18,453,278	25,604,525	33,434,158	41,996,488	51,180,302	60,977,628	71,413,324	82,580,982	

### 10.3 Projected Cash-flow Statement

Statement Summaries											Controlled Shed Farm - SMEDA
Cash Flow Statement											
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Rs. in actuals										
<i>Operating activities</i>											
Net profit	-	6,002,425	5,930,948	6,519,904	7,151,247	7,829,633	8,562,330	9,183,815	9,797,326	10,435,696	11,167,658
Add: depreciation expense	-	578,779	578,779	578,779	578,779	578,779	578,779	578,779	578,779	578,779	578,779
amortization expense	-	15,903	15,903	15,903	15,903	15,903	-	-	-	-	-
Accounts receivable	-	(2,347,397)	(58,253)	(119,420)	(125,390)	(131,660)	(138,243)	(145,155)	(152,413)	(160,034)	(168,035)
Raw material inventory	(1,850,688)	(189,696)	(209,139)	(230,576)	(254,210)	(280,267)	(308,994)	(340,666)	(375,584)	(414,082)	4,453,901
Accounts payable	-	1,844,159	101,012	106,965	113,309	120,071	127,284	134,981	143,200	151,981	(242,230)
Other liabilities	-	-	-	-	-	-	-	-	-	-	-
<b>Cash provided by operations</b>	<b>(1,850,688)</b>	<b>5,904,173</b>	<b>6,359,249</b>	<b>6,871,556</b>	<b>7,479,637</b>	<b>8,132,459</b>	<b>8,821,156</b>	<b>9,411,754</b>	<b>9,991,308</b>	<b>10,592,341</b>	<b>15,790,073</b>
<i>Financing activities</i>											
Change in long term debt	5,147,768	(197,955)	(871,860)	(1,008,721)	(1,167,072)	(1,350,285)	(551,874)	-	-	-	-
Issuance of shares	7,713,322	-	-	-	-	-	-	-	-	-	-
Purchase of (treasury) shares	-	-	-	-	-	-	-	-	-	-	-
<b>Cash provided by / (used for) financing activities</b>	<b>12,861,090</b>	<b>(197,955)</b>	<b>(871,860)</b>	<b>(1,008,721)</b>	<b>(1,167,072)</b>	<b>(1,350,285)</b>	<b>(551,874)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Investing activities</i>											
Capital expenditure	(10,510,402)	-	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-	-	-	-	-
<b>Cash (used for) / provided by investing activities</b>	<b>(10,510,402)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CASH</b>	<b>500,000</b>	<b>5,706,217</b>	<b>5,487,389</b>	<b>5,862,834</b>	<b>6,312,565</b>	<b>6,782,173</b>	<b>8,269,281</b>	<b>9,411,754</b>	<b>9,991,308</b>	<b>10,592,341</b>	<b>15,790,073</b>
Cash balance brought forward		500,000	6,206,217	11,693,607	17,556,441	23,869,006	30,651,179	38,920,460	48,332,214	58,323,522	68,915,863
Cash available for appropriation	500,000	6,206,217	11,693,607	17,556,441	23,869,006	30,651,179	38,920,460	48,332,214	58,323,522	68,915,863	84,705,936
Dividend	-	-	-	-	-	-	-	-	-	-	-
Cash carried forward	500,000	6,206,217	11,693,607	17,556,441	23,869,006	30,651,179	38,920,460	48,332,214	58,323,522	68,915,863	84,705,936

## 10.4 Projected Balance Sheet

<b>Statement Summaries</b>											<b>Controlled Shed Farm - SMEDA</b>	
<b>Balance Sheet</b>											Rs. in actuals	
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
<b>Assets</b>												
<i>Current assets</i>												
Cash & Bank	500,000	6,206,217	11,693,607	17,556,441	23,869,006	30,651,179	38,920,460	48,332,214	58,323,522	68,915,863	84,705,936	
Accounts receivable	-	2,347,397	2,405,651	2,525,070	2,650,461	2,782,121	2,920,364	3,065,519	3,217,932	3,377,965	3,546,001	
Raw material inventory	1,850,688	2,040,384	2,249,523	2,480,099	2,734,309	3,014,576	3,323,570	3,664,236	4,039,820	4,453,901	-	
<b>Total Current Assets</b>	<b>2,350,688</b>	<b>10,593,998</b>	<b>16,348,780</b>	<b>22,561,610</b>	<b>29,253,775</b>	<b>36,447,875</b>	<b>45,164,394</b>	<b>55,061,969</b>	<b>65,581,274</b>	<b>76,747,730</b>	<b>88,251,937</b>	
<i>Fixed assets</i>												
Land	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	
Building/Infrastructure	6,286,201	5,971,891	5,657,581	5,343,271	5,028,961	4,714,651	4,400,341	4,086,031	3,771,721	3,457,411	3,143,101	
Machinery & equipment	2,558,687	2,302,819	2,046,950	1,791,081	1,535,212	1,279,344	1,023,475	767,606	511,737	255,869	-	
Furniture & fixtures	49,000	44,100	39,200	34,300	29,400	24,500	19,600	14,700	9,800	4,900	-	
Office vehicles	-	-	-	-	-	-	-	-	-	-	-	
Office equipment	37,000	33,300	29,600	25,900	22,200	18,500	14,800	11,100	7,400	3,700	-	
<b>Total Fixed Assets</b>	<b>10,430,888</b>	<b>9,852,110</b>	<b>9,273,331</b>	<b>8,694,552</b>	<b>8,115,773</b>	<b>7,536,994</b>	<b>6,958,216</b>	<b>6,379,437</b>	<b>5,800,658</b>	<b>5,221,879</b>	<b>4,643,101</b>	
<i>Intangible assets</i>												
Pre-operation costs	79,513	63,611	47,708	31,805	15,903	-	-	-	-	-	-	
<b>Total Intangible Assets</b>	<b>79,513</b>	<b>63,611</b>	<b>47,708</b>	<b>31,805</b>	<b>15,903</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>TOTAL ASSETS</b>	<b>12,861,090</b>	<b>20,509,718</b>	<b>25,669,819</b>	<b>31,287,967</b>	<b>37,385,451</b>	<b>43,984,870</b>	<b>52,122,609</b>	<b>61,441,406</b>	<b>71,381,932</b>	<b>81,969,609</b>	<b>92,895,038</b>	
<b>Liabilities &amp; Shareholders' Equity</b>												
<i>Current liabilities</i>												
Accounts payable	-	1,844,159	1,945,171	2,052,136	2,165,445	2,285,516	2,412,800	2,547,781	2,690,982	2,842,963	2,600,733	
<b>Total Current Liabilities</b>	<b>-</b>	<b>1,844,159</b>	<b>1,945,171</b>	<b>2,052,136</b>	<b>2,165,445</b>	<b>2,285,516</b>	<b>2,412,800</b>	<b>2,547,781</b>	<b>2,690,982</b>	<b>2,842,963</b>	<b>2,600,733</b>	
<i>Other liabilities</i>												
Long term debt	5,147,768	4,949,812	4,077,953	3,069,231	1,902,160	551,874	-	-	-	-	-	
<b>Total Long Term Liabilities</b>	<b>5,147,768</b>	<b>4,949,812</b>	<b>4,077,953</b>	<b>3,069,231</b>	<b>1,902,160</b>	<b>551,874</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<i>Shareholders' equity</i>												
Paid-up capital	7,713,322	7,713,322	7,713,322	7,713,322	7,713,322	7,713,322	7,713,322	7,713,322	7,713,322	7,713,322	7,713,322	
Retained earnings	-	6,002,425	11,933,373	18,453,278	25,604,525	33,434,158	41,996,488	51,180,302	60,977,628	71,413,324	82,580,982	
<b>Total Equity</b>	<b>7,713,322</b>	<b>13,715,747</b>	<b>19,646,695</b>	<b>26,166,600</b>	<b>33,317,847</b>	<b>41,147,480</b>	<b>49,709,810</b>	<b>58,893,624</b>	<b>68,690,950</b>	<b>79,126,646</b>	<b>90,294,304</b>	
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>12,861,090</b>	<b>20,509,718</b>	<b>25,669,819</b>	<b>31,287,967</b>	<b>37,385,451</b>	<b>43,984,870</b>	<b>52,122,609</b>	<b>61,441,406</b>	<b>71,381,932</b>	<b>81,969,609</b>	<b>92,895,038</b>	

## 11 KEY ASSUMPTIONS

Bird Mortality % age	3.0%	% of COGS
Administration benefits expense	3.0%	% of administration expense
Traveling expense	1.0%	% of administration expense
Communication expense	1.0%	% of administration expense
Office vehicles running expense	3.0%	% of vehicles cost
Office expenses (Misc.)	1.0%	% of administration expense
Promotional expense	0.0%	% of revenue
Machinery & equipment insurance rate	5.0%	% of Machinery cost
Office vehicles insurance rate	5.0%	% of Vehicle cost
Professional fees (legal, audit, consultants, etc.)	0.05%	% of revenue
Bad debt expense	0.0%	% of revenue
Building depreciation rate	5%	% of Building Cost
Machinery & Equipment depreciation rate	10%	% of Machinery & Equip. Cost
Office Equipment depreciation rate	10%	% of Office equipment Cost
Furniture & Fixtures depreciation rate	10%	% of Furniture & fixture Cost

**Table: COGS Details:**

Description	
DOC (Day Old Chicks) (Rs.)	18
Feed Conversion Ratio (FCR) i.e. Feed required to gain 1 Kg weight (Kgs.)	2
Feed required per 1000 birds - (50 Kgs bags)	72
Feed Requirement/bird/day - Kg	0.10
Vaccination. Medication and Disinfection Cost per Bird (Rs.)	9
Feed Price per Bag (50 Kgs)	974
Cost of Feed per Kg – Rs.	19.48