

# PROJECT REPORT

## Of

# SESAME SEED PROCESSING UNIT

## PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Sesame Seeds Processing Unit.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]



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**PROJECT AT A GLANCE**

- 1 Name of the Entrepreneur : xxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **SESAME SEED**
- 6 Name of the project / business activity proposed : **SESAME SEEDS PROCESSING UNIT**
- 7 Cost of Project : Rs.22.16 Lakhs
- 8 Means of Finance
- Term Loan Rs.15.48 Lakhs
- Own Capital Rs.2.22 Lakhs
- Working Capital Rs.4.46 Lakhs
- 9 Debt Service Coverage Ratio : 2.19
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 34%
- 13 Employment : 10 Persons
- 14 Power Requirement : 18.00 KWH
- 15 Major Raw materials : Harvested Sesame Seeds
- 16 Estimated Annual Sales Turnover (Max Capacity) : 126.01 Lakhs
- 17 Detailed Cost of Project & Means of Finance

**COST OF PROJECT**

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	16.20
Furniture & Fixtures	1.00
Working Capital	4.96
<b>Total</b>	<b>22.16</b>

**MEANS OF FINANCE**

Particulars	Amount
Own Contribution	2.22
Working Capital(Finance)	4.46
Term Loan	15.48
<b>Total</b>	<b>22.16</b>

# **SESAME SEED PROCESSING UNIT**

## **Introduction:**

Sesame (*Sesamum indicum* L.) is India's oldest indigenous oilseed crop and has been cultivated for the longest time in India. In Hindi sesame or gingelly is known as Til. The crop is grown in almost all parts of the country. West Bengal, Madhya Pradesh, Rajasthan, Uttar Pradesh, Gujarat, Andhra Pradesh, and Telangana account for more than 85% of sesame output. India is the world's leading producer, with 19.47 million hectares area and 8.66 million tonnes produced. India's average sesame yield (413 kg/ha) is low as compared to other countries (535 kg/ha). Improved sesame varieties and agro-production technologies capable of rising sesame productivity are now being established for various agro-ecological situations in the region. In irrigated conditions, a well-managed sesame crop can yield 1200 - 1500 kg/ha, and in rain fed conditions, 800 - 1000 kg/ha. Sesame is Produces primarily for its edible seeds and oil, with 65 percent of the seeds used for oil extraction and 35 percent for human consumption. Sesame seeds have a high oil content and a pleasant nutty taste when cooked. They are highly valued in the bakery, candy industry, and other food specialties for these purposes. Two distinct types of seed are recognized, the white and the black. There are also intermediate coloured varieties varying from red to rose or from brown or grey.



## **Uses & Market Potential:**

Sesame seeds are one of the most common and nutritious seeds grown primarily in Asia and the Pacific. India is well-known in the Asia Pacific region as a large-scale

producer and exporter of sesame seeds. The outer husk has been extracted from sesame seeds, giving them a tiny flat creamy white look (hulled). Sesame seeds are used to make cooking oils that are used in a number of foods. They are also used in the baking industry for baked treats and bun decoration. Sesamin, sesaminol, sesamol, and sesaminol glucosides, which are important ingredients for better health, are found in organic sesame seeds.. The sesame seed market is divided into three categories based on colour: white, black, and brown sesame seed. Since white sesame seeds are widely used in Asian countries, the organic sesame seed market in the Asia Pacific region is expected to develop rapidly.

### **Product:**

SESAME SEED

### **Raw Material:**

Sesame seeds are the seed that is obtained from farmer fields that are separated and cleaned by winnowing to remove chaff, dust, and dirt as possible.

### **Manufacturing Process:**

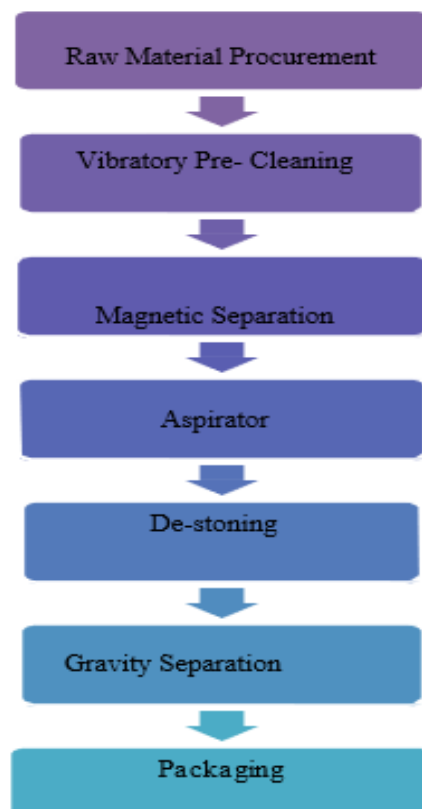


Fig. 1 – Process Flowchart

**Area:**

The approximate total area required for construction of shed is 2000-2500 Sq. ft. for smooth production including storage area.

**Cost of Machines:**

<b>S No.</b>	<b>Machine</b>	<b>Price (INR)</b>
1.	Vibrating Pre-Cleaner	1,25,000/-
2.	Aspirator	1,50,000/-
3.	De-stoner	1,00,000/-
4.	Magnetic Separator	2,00,000/-
5.	Gravity separator	1,65,000/-
6.	Packaging machine	3,80,000/-
7.	Material handling and other equipment's (Bins, trolley, silos, weighing machine, bucket elevator, belt conveyors, etc.)	5,00,000/-
	<b>Total</b>	<b>16,20,000/-</b>

**Power Requirement-** The estimated Power requirement is taken at 18 KWH.

**Manpower Requirement-** Following manpower is required:

- Skilled/unskilled worker-4
- Helper- 2
- Machine Operator- 2
- Sales Personal and Accountant- 2

# FINANCIALS

<b><u>PROJECTED BALANCE SHEET</u></b>					
<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>SOURCES OF FUND</u></b>					
<b><u>Capital Account</u></b>					
Opening Balance	-	2.34	3.77	6.12	8.88
Add: Additions	2.22	-	-	-	-
Add: Net Profit	2.32	4.23	6.16	7.75	9.82
Less: Drawings	2.20	2.80	3.80	5.00	6.80
<b>Closing Balance</b>	<b>2.34</b>	<b>3.77</b>	<b>6.12</b>	<b>8.88</b>	<b>11.90</b>
CC Limit	4.46	4.46	4.46	4.46	4.46
Term Loan	13.76	10.32	6.88	3.44	-
Sundry Creditors	1.49	1.70	1.92	2.15	2.38
<b>TOTAL :</b>	<b>22.05</b>	<b>20.25</b>	<b>19.38</b>	<b>18.92</b>	<b>18.74</b>
<b><u>APPLICATION OF FUND</u></b>					
<b>Fixed Assets ( Gross)</b>	17.20	17.20	17.20	17.20	17.20
Gross Dep.	2.53	4.69	6.52	8.09	9.42
Net Fixed Assets	14.67	12.51	10.68	9.11	7.78
<b>Current Assets</b>					
Sundry Debtors	2.44	2.91	3.32	3.75	4.20
Stock in Hand	4.01	4.62	5.25	5.91	6.59
Cash and Bank	0.93	0.21	0.14	0.15	0.17
<b>TOTAL :</b>	<b>22.05</b>	<b>20.25</b>	<b>19.38</b>	<b>18.92</b>	<b>18.74</b>
	-	-	-	-	-

**PROJECTED PROFITABILITY STATEMENT**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>A) SALES</u></b>					
Gross Sale	73.08	87.16	99.57	112.52	126.01
<b>Total (A)</b>	<b>73.08</b>	<b>87.16</b>	<b>99.57</b>	<b>112.52</b>	<b>126.01</b>
<b><u>B) COST OF SALES</u></b>					
Raw Material Consumed	44.64	51.03	57.60	64.35	71.28
Electricity Expenses	1.61	1.81	2.01	2.22	2.42
Repair & Maintenance	2.19	2.61	2.99	3.38	3.78
Labour & Wages	10.08	12.10	14.76	17.41	20.20
Depreciation	2.53	2.16	1.84	1.57	1.33
<b>Cost of Production</b>	<b>61.05</b>	<b>69.71</b>	<b>79.20</b>	<b>88.92</b>	<b>99.01</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>2.52</b>	<b>2.92</b>	<b>3.33</b>	<b>3.76</b>
<b>Less: Closing Stock /WIP</b>	<b>2.52</b>	<b>2.92</b>	<b>3.33</b>	<b>3.76</b>	<b>4.21</b>
Cost of Sales (B)	58.53	69.31	78.78	88.49	98.56
<b>C) GROSS PROFIT (A-B)</b>	<b>14.55</b>	<b>17.84</b>	<b>20.79</b>	<b>24.03</b>	<b>27.45</b>
	<b>19.90%</b>	<b>20.47%</b>	<b>20.88%</b>	<b>21.36%</b>	<b>21.78%</b>
D) Bank Interest i) (Term Loan )	1.68	1.37	0.99	0.61	0.24
ii) Interest On Working Capital	0.49	0.49	0.49	0.49	0.49
E) Salary to Staff	5.67	6.52	7.17	7.53	7.91
F) Selling & Adm Expenses Exp.	4.38	5.23	5.97	6.75	7.56
<b>G) TOTAL (D+E+F)</b>	<b>12.22</b>	<b>13.61</b>	<b>14.63</b>	<b>15.39</b>	<b>16.20</b>
H) NET PROFIT	2.32	4.23	6.16	8.64	11.25
	<b>3.2%</b>	<b>4.9%</b>	<b>6.2%</b>	<b>7.7%</b>	<b>8.9%</b>
I) Taxation	-	-	-	0.89	1.43
<b>J) PROFIT (After Tax)</b>	<b>2.32</b>	<b>4.23</b>	<b>6.16</b>	<b>7.75</b>	<b>9.82</b>

<b><u>PROJECTED CASH FLOW STATEMENT</u></b>					
<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>SOURCES OF FUND</u></b>					
Own Contribution	2.22	-			
Reserve & Surplus	2.32	4.23	6.16	8.64	11.25
Depreciation & Exp. W/off	2.53	2.16	1.84	1.57	1.33
Increase In Cash Credit	4.46				
Increase In Term Loan	15.48	-	-	-	-
Increase in Creditors	1.49	0.21	0.22	0.23	0.23
<b>TOTAL :</b>	<b>28.50</b>	<b>6.60</b>	<b>8.21</b>	<b>10.43</b>	<b>12.82</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	17.20	-	-	-	-
Increase in Stock	4.01	0.61	0.63	0.66	0.68
Increase in Debtors	2.44	0.47	0.41	0.43	0.45
Repayment of Term Loan	1.72	3.44	3.44	3.44	3.44
Taxation	-	-	-	0.89	1.43
Drawings	2.20	2.80	3.80	5.00	6.80
<b>TOTAL :</b>	<b>27.56</b>	<b>7.32</b>	<b>8.29</b>	<b>10.42</b>	<b>12.80</b>
Opening Cash & Bank Balance	-	0.93	0.21	0.14	0.15
Add : Surplus	0.93	- 0.72	- 0.08	0.02	0.02
Closing Cash & Bank Balance	<b>0.93</b>	<b>0.21</b>	<b>0.14</b>	<b>0.15</b>	<b>0.17</b>



**COMPUTATION OF CLOSING STOCK & WORKING CAPITAL**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>Finished Goods</u></b>					
(10 Days requirement)	2.52	2.92	3.33	3.76	4.21
<b><u>Raw Material</u></b>					
(10 Days requirement)	1.49	1.70	1.92	2.15	2.38
<b>Closing Stock</b>	<b>4.01</b>	<b>4.62</b>	<b>5.25</b>	<b>5.91</b>	<b>6.59</b>

**COMPUTATION OF WORKING CAPITAL REQUIREMENT**

<b>Particulars</b>	<b>Amount</b>	<b>Margin(10%)</b>	<b>Net Amount</b>
Stock in Hand	4.01		
Less:			
Sundry Creditors	1.49		
<b>Paid Stock</b>	<b>2.52</b>	<b>0.25</b>	<b>2.27</b>
Sundry Debtors	2.44	0.24	2.19
<b>Working Capital Requirement</b>			<b>4.46</b>
<b>Margin</b>			0.50
<b>MPBF</b>			<b>4.46</b>
<b>Working Capital Demand</b>			<b>4.46</b>

<b>REPAYMENT SCHEDULE OF TERM LOAN</b>							11.0%
<b>Year</b>	<b>Particulars</b>	<b>Amount</b>	<b>Addition</b>	<b>Total</b>	<b>Interest</b>	<b>Repayment</b>	<b>CI Balance</b>
<b>I</b>	Opening Balance						
	Ist Quarter	-	15.48	15.48	0.43	-	15.48
	Iind Quarter	15.48	-	15.48	0.43	-	15.48
	IIIrd Quarter	15.48	-	15.48	0.43	0.86	14.62
	Ivth Quarter	14.62	-	14.62	0.40	0.86	13.76
						1.68	1.72
<b>II</b>	Opening Balance						
	Ist Quarter	13.76	-	13.76	0.38	0.86	12.90
	Iind Quarter	12.90	-	12.90	0.35	0.86	12.04
	IIIrd Quarter	12.04	-	12.04	0.33	0.86	11.18
	Ivth Quarter	11.18		11.18	0.31	0.86	10.32
						1.37	3.44
<b>III</b>	Opening Balance						
	Ist Quarter	10.32	-	10.32	0.28	0.86	9.46
	Iind Quarter	9.46	-	9.46	0.26	0.86	8.60
	IIIrd Quarter	8.60	-	8.60	0.24	0.86	7.74
	Ivth Quarter	7.74		7.74	0.21	0.86	6.88
						0.99	3.44
<b>IV</b>	Opening Balance						
	Ist Quarter	6.88	-	6.88	0.19	0.86	6.02
	Iind Quarter	6.02	-	6.02	0.17	0.86	5.16
	IIIrd Quarter	5.16	-	5.16	0.14	0.86	4.30
	Ivth Quarter	4.30		4.30	0.12	0.86	3.44
						0.61	3.44
<b>V</b>	Opening Balance						
	Ist Quarter	3.44	-	3.44	0.09	0.86	2.58
	Iind Quarter	2.58	-	2.58	0.07	0.86	1.72
	IIIrd Quarter	1.72	-	1.72	0.05	0.86	0.86
	Ivth Quarter	0.86		0.86	0.02	0.86	0.00
						0.24	3.44
Door to Door Period		60	Months				
Moratorium Period		6	Months				
Repayment Period		54	Months				

**CALCULATION OF D.S.C.R**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>CASH ACCRUALS</u></b>	4.85	6.39	7.99	9.32	11.16
Interest on Term Loan	1.68	1.37	0.99	0.61	0.24
Total	6.53	7.76	8.99	9.93	11.39
<b><u>REPAYMENT</u></b>					
Repayment of Term Loan	1.72	3.44	3.44	3.44	3.44
Interest on Term Loan	1.68	1.37	0.99	0.61	0.24
Total	3.40	4.81	4.43	4.05	3.68
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>1.92</b>	<b>1.61</b>	<b>2.03</b>	<b>2.45</b>	<b>3.10</b>
<b>AVERAGE D.S.C.R.</b>			<b>2.19</b>		

## **Assumptions:**

- 1.** Production Capacity of Sesame Seeds is 600 Kg per day. First year, Capacity has been taken @ 40%.
- 2.** Working shift of 10 hours per day has been considered.
- 3.** Raw Material stock and Finished goods closing stock has been taken for 10 days.
- 4.** Credit period to Sundry Debtors has been given for 10 days.
- 5.** Credit period by the Sundry Creditors has been provided for 10 days.
- 6.** Depreciation and Income tax has been taken as per the Income tax Act, 1961.
- 7.** Interest on working Capital Loan and Term loan has been taken at 11%.
- 8.** Salary and wages rates are taken as per the Current Market Scenario.
- 9.** Power Consumption has been taken at 18 KWH.
- 10.** Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years

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