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PROJECT REPORT

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PROJECT:
SODIUM SULPHATE

PROJECT REPORT

Of

SODIUM SULPHATE

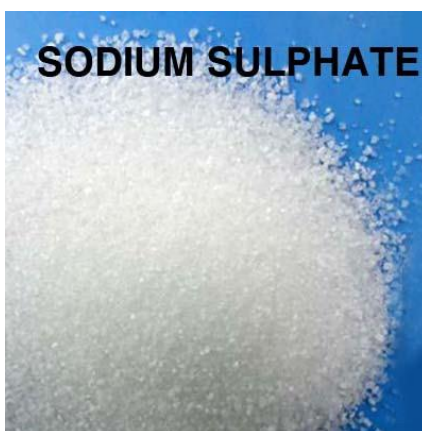
PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Sodium sulphate.

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.]

PROJECT REPORT ON SODIUM SULPHATE



INTRODUCTION:

Sodium sulphate is the sodium salt of sulphuric acid. When anhydrous, it is a white crystalline solid, the decahydrate $\text{Na}_2\text{SO}_4 \cdot 10\text{H}_2\text{O}$ has been known as Glauber's salt. Sodium sulphate is mainly used for the manufacture of detergents and in the Kraft process of paper pulping. About two-thirds of the world's production is from mirabilite, the natural mineral form of the decahydrate, and the remainder from by-products of chemical processes such as hydrochloric acid production. Sodium sulfate is chemically very stable, being unreactive toward most oxidizing or reducing agents at normal temperatures. Sodium sulfate is a neutral salt, which forms aqueous solutions with pH of 7. The neutrality of such solutions reflects the fact that Na_2SO_4 is derived, formally speaking, from the strong acid sulfuric acid and a strong base sodium hydroxide.

Its specific gravity is 1.464 and melting point is 888°C. It loses the water of hydration at 100°C. It is neutral, non-toxic and highly soluble in water, insoluble in alcohol and noncombustible. Anhydrous sodium sulphate is odorless, bitter saline taste, soluble in water and glycerol.

MARKET POTENTIAL:

Sodium Sulphate is used as raw material in the manufacture of Kraft paper, paper board and glass. It is also used as filler in synthetic detergents, Sodium salts, Ceramic glazes, Processing textile fibres, dyes, tanning, pharmaceuticals, freezing mixtures laboratory reagent and food additive, sodium sulphate decahydrate is used in solar heat storage and air conditioning. With growing demand of above items the product has good market.

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account	2.40	2.40	2.40	2.40	2.40
Retained Profit	6.51	13.91	23.88	36.24	50.88
Term Loan	14.45	10.84	7.23	3.61	0.71
Cash Credit	7.14	7.14	7.14	7.14	7.14
Sundry Creditors	1.36	1.58	1.81	2.04	2.26
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
TOTAL :	32.22	36.27	42.90	51.92	63.92
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	15.46	15.46	15.46	15.46	15.46
Gross Dep.	2.00	3.76	5.29	6.60	7.74
Net Fixed Assets	13.46	11.70	10.17	8.86	7.72
Current Assets					
Sundry Debtors	3.89	4.83	5.53	6.23	6.93
Stock in Hand	5.40	6.18	7.07	7.95	8.83
Cash and Bank	6.97	10.81	17.10	25.55	36.78
Deposits & Advances	2.50	2.75	3.03	3.33	3.66
TOTAL :	32.22	36.27	42.90	51.92	63.92
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>A) SALES</u>					
Gross Sale	38.94	48.31	55.31	62.31	69.31
Total (A)	38.94	48.31	55.31	62.31	69.31
<u>B) COST OF SALES</u>					
Raw Mateiral Consumed	19.39	22.62	25.85	29.08	32.31
Elecricity Expenses	2.75	3.21	3.67	4.13	4.58
Repair & Maintenance	-	0.48	0.55	0.62	0.69
Labour & Wages	4.75	5.23	5.75	6.32	6.96
Depreciation	2.00	1.76	1.52	1.32	1.14
Consumables and Other Expenses	1.17	1.45	1.66	1.87	2.08
Cost of Production	30.06	34.75	39.00	43.34	47.76
Add: Opening Stock /WIP	-	3.46	3.92	4.48	5.04
Less: Closing Stock /WIP	3.46	3.92	4.48	5.04	5.60
Cost of Sales (B)	26.60	34.29	38.44	42.78	47.20
C) GROSS PROFIT (A-B)	12.35	14.02	16.87	19.53	22.11
	32%	29%	31%	31%	32%
D) Bank Interest (Term Loan)	1.25	1.51	1.09	0.68	0.27
Bank Interest (C.C. Limit)	0.71	0.71	0.71	0.71	0.71
E) Salary to Staff	2.38	2.61	2.87	3.16	3.48
F) Selling & Adm Expenses Exp.	0.78	0.97	1.11	1.25	1.39
TOTAL (D+E)	5.12	5.80	5.79	5.80	5.85
H) NET PROFIT	7.23	8.22	11.08	13.74	16.26
I) Taxation	0.72	0.82	1.11	1.37	1.63
J) PROFIT (After Tax)	6.51	7.40	9.98	12.36	14.63

PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Share Capital	2.40	-			
Reserve & Surplus	7.23	8.22	11.08	13.74	16.26
Depreciation & Exp. W/off	2.00	1.76	1.52	1.32	1.14
Increase in Cash Credit	7.14	-	-	-	-
Increase In Term Loan	14.45	-	-	-	-
Increase in Creditors	1.36	0.23	0.23	0.23	0.23
Increase in Provisions	0.36	0.04	0.04	0.04	0.05
TOTAL :	34.95	10.25	12.87	15.32	17.68
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	15.46	-	-	-	-
Increase in Stock	5.40	0.78	0.88	0.88	0.88
Increase in Debtors	3.89	0.94	0.70	0.70	0.70
Increase in Deposits & Adv	2.50	0.25	0.28	0.30	0.33
Repayment of Term Loan	-	3.61	3.61	3.61	2.91
Taxation	0.72	0.82	1.11	1.37	1.63
TOTAL :	27.98	6.40	6.58	6.87	6.45
Opening Cash & Bank Balance	-	6.97	10.81	17.10	25.55
Add : Surplus	6.97	3.84	6.29	8.45	11.23
Closing Cash & Bank Balance	6.97	10.81	17.10	25.55	36.78

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