

UP MSME 1-Connect

PROJECT REPORT

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PROJECT:

SODIUM HYPOCHLORITE (Bleaching Liquid)

PROJECT REPORT

Of

SODIUM HYPOCHLORITE (Bleaching Liquid)

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Sodium Hypochlorite(Bleaching Liquid)**.

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.]

1-CONNECT
UTTAR PRADESH MSME

Project Report

on

Sodium Hypochlorite (Bleaching Liquid)



INTRODUCTION:

Hypochlorite's are chemical compounds containing the chlorate (I) anion ($[\text{OCl}]^-$). It is a greenish – yellowish liquid commonly referred to as “Bleach”. Sodium Hypochlorite (NaOCl) is a compound that can be effectively used for surface purification, water disinfectants (Disinfectants are microbial agents that are applied to nonliving objects to destroy microorganisms, the process of which is known as disinfection), bleaching, odour removal etc. It has a relative density of [5.5% water solution]. It is unstable and Chlorine evaporates. It is strong oxidizer and reacts with flammable compounds however its solution is a weak base that is inflammable.

MARKET POTENTIAL:

It has following applications in general:

- It is the main ingredient in laundry bleach. It is used extensively as a bleaching agent in the textiles, detergents paper & pulp industries.
- It is used as disinfectant in water and waste water treatment plants and sanitary equipments.
- State Government, Corporations, Nagar Parishad etc. are the major customers of the product to use it as disinfectant in water.
- It is applied in swimming pools for water disinfection.
- In Food Processing Industry , it is used to sanitize food preparation equipments.
- In petrochemical industry, it is used in petroleum products refining.

The following table shows some of the varying strengths of the product and how the variations are typically used :

| Wt % of Sodium Hypochlorite | Common Uses |
|------------------------------------|---|
| 2 % | Shock Chlorination of Wells |
| 3-6 % | Household Disinfectant, Laundering Clothes, Dentistry Root Canal Treatment Disinfectant in Hospitals, Food Processing, Fish Processing etc. |
| 12-16 % | Disinfectant in Swimming Pools, Water Treatment, Waste Water Treatment etc. |

PROJECTED BALANCE SHEET

| PARTICULARS | IST YEAR | IIND YEAR | IIIRD YEAR | IVTH YEAR | VTH YEAR |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| <u>SOURCES OF FUND</u> | | | | | |
| Capital Account | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 |
| Retained Profit | 10.18 | 24.15 | 40.42 | 60.41 | 83.99 |
| Term Loan | 15.76 | 11.82 | 7.88 | 3.94 | 0.87 |
| Cash Credit | 6.75 | 6.75 | 6.75 | 6.75 | 6.75 |
| Sundry Creditors | 2.52 | 3.02 | 3.53 | 4.03 | 4.53 |
| Provisions & Other Liab | 0.36 | 0.40 | 0.44 | 0.48 | 0.53 |
| TOTAL : | 38.07 | 48.64 | 61.51 | 78.11 | 99.17 |
| <u>APPLICATION OF FUND</u> | | | | | |
| Fixed Assets (Gross) | 17.10 | 17.10 | 17.10 | 17.10 | 17.10 |
| Gross Dep. | 2.32 | 4.33 | 6.06 | 7.55 | 8.84 |
| Net Fixed Assets | 14.79 | 12.77 | 11.04 | 9.55 | 8.26 |
| Current Assets | | | | | |
| Sundry Debtors | 2.70 | 3.54 | 4.14 | 4.74 | 5.34 |
| Stock in Hand | 7.32 | 8.78 | 10.25 | 11.71 | 13.17 |
| Cash and Bank | 10.76 | 20.80 | 33.06 | 48.78 | 68.73 |
| Deposits & Advances | 2.50 | 2.75 | 3.03 | 3.33 | 3.66 |
| TOTAL : | 38.07 | 48.64 | 61.51 | 78.11 | 99.17 |
| | - | - | - | - | - |

PROJECTED PROFITABILITY STATEMENT

| PARTICULARS | IST YEAR | IIND YEAR | IIIRD YEAR | IVTH YEAR | VTH YEAR |
|--|--------------|--------------|--------------|--------------|---------------|
| <u>A) SALES</u> | | | | | |
| Gross Sale | 54.00 | 70.80 | 82.80 | 94.80 | 106.80 |
| Total (A) | 54.00 | 70.80 | 82.80 | 94.80 | 106.80 |
| <u>B) COST OF SALES</u> | | | | | |
| Raw Mateiral Consumed | 25.19 | 30.23 | 35.26 | 40.30 | 45.34 |
| Elecricity Expenses | 4.30 | 5.17 | 6.03 | 6.89 | 7.75 |
| Repair & Maintenance | - | 0.71 | 0.83 | 0.95 | 1.07 |
| Labour & Wages | 5.28 | 5.81 | 6.39 | 7.03 | 7.73 |
| Depriciation | 2.32 | 2.01 | 1.73 | 1.49 | 1.28 |
| Consumables,packaging and Other Expenses | 2.70 | 3.54 | 4.14 | 4.74 | 5.34 |
| Cost of Production | 39.79 | 47.46 | 54.38 | 61.39 | 68.51 |
| Add: Opening Stock /WIP | - | 4.80 | 5.76 | 6.72 | 7.68 |
| Less: Closing Stock /WIP | 4.80 | 5.76 | 6.72 | 7.68 | 8.64 |
| Cost of Sales (B) | 34.99 | 46.50 | 53.42 | 60.43 | 67.55 |
| <u>C) GROSS PROFIT (A-B)</u> | 19.01 | 24.30 | 29.38 | 34.37 | 39.25 |
| | 35% | 34% | 35% | 36% | 37% |
| <u>D) Bank Interest (Term Loan)</u> | 1.36 | 1.64 | 1.19 | 0.74 | 0.30 |
| Bank Interest (C.C. Limit) | 0.78 | 0.78 | 0.78 | 0.78 | 0.78 |
| <u>E) Salary to Staff</u> | 4.49 | 4.94 | 5.43 | 5.97 | 6.57 |
| <u>F) Selling & Adm Expenses Exp.</u> | 1.08 | 1.42 | 1.66 | 1.90 | 2.14 |
| TOTAL (D+E) | 7.70 | 8.77 | 9.05 | 9.38 | 9.78 |
| H) NET PROFIT | 11.31 | 15.53 | 20.33 | 24.98 | 29.47 |
| I) Taxation | 1.13 | 1.55 | 4.07 | 5.00 | 5.89 |
| J) PROFIT (After Tax) | 10.18 | 13.98 | 16.26 | 19.99 | 23.58 |

PROJECTED CASH FLOW STATEMENT

| PARTICULARS | IST YEAR | IIND YEAR | IIIRD YEAR | IVTH YEAR | VTH YEAR |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| <u>SOURCES OF FUND</u> | | | | | |
| Share Capital | 2.50 | - | | | |
| Reserve & Surplus | 11.31 | 15.53 | 20.33 | 24.98 | 29.47 |
| Depreciation & Exp. W/off | 2.32 | 2.01 | 1.73 | 1.49 | 1.28 |
| Increase in Cash Credit | 6.75 | - | - | - | - |
| Increase In Term Loan | 15.76 | - | - | - | - |
| Increase in Creditors | 2.52 | 0.50 | 0.50 | 0.50 | 0.50 |
| Increase in Provisions | 0.36 | 0.04 | 0.04 | 0.04 | 0.05 |
| TOTAL : | 41.51 | 18.08 | 22.61 | 27.02 | 31.31 |
| <u>APPLICATION OF FUND</u> | | | | | |
| Increase in Fixed Assets | 17.10 | - | - | - | - |
| Increase in Stock | 7.32 | 1.46 | 1.46 | 1.46 | 1.46 |
| Increase in Debtors | 2.70 | 0.84 | 0.60 | 0.60 | 0.60 |
| Increase in Deposits & Adv | 2.50 | 0.25 | 0.28 | 0.30 | 0.33 |
| Repayment of Term Loan | - | 3.94 | 3.94 | 3.94 | 3.07 |
| Taxation | 1.13 | 1.55 | 4.07 | 5.00 | 5.89 |
| TOTAL : | 30.75 | 8.05 | 10.34 | 11.30 | 11.36 |
| Opening Cash & Bank Balance | - | 10.76 | 20.80 | 33.06 | 48.78 |
| Add : Surplus | 10.76 | 10.04 | 12.26 | 15.72 | 19.95 |
| Closing Cash & Bank Balance | 10.76 | 20.80 | 33.06 | 48.78 | 68.73 |

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