FINANCIAL ANALYSIS OF BIO-DIESEL MANUFACTURING

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Introduction: Biodiesel is a renewable source of energy that can help reduce greenhouse gas emissions and minimize the “carbon footprint” of agriculture. It contributes less to global warming because the carbon in the fuel was removed from the air by the plant feedstock. There are various sources of such non-harmful diesel fuels, like ethanol and biodiesel which can be obtained from diverse vegetable oils and animal fats. The cost effective production of biodiesel provides an alternative fuel to customers, the study focuses on determining the cost of production of biodiesel and there by identifying the areas for reducing the cost. Used to promote rural development by helping small farmers, new processing plant can create new employment opportunities and generate economic spinoffs in rural areas.

Objectives:
1. To identify the amount of waste cooking oil produced in Bengaluru City.
2. To Analyse the Capital Investment required to setup a Bio Diesel Plant.
3. To perform financial analysis for determining profitability and its sustainability of the Bio Diesel Plant.
4. Cost incurred at each stages of Bio Diesel Production.
5. Identifying the areas for reducing the cost.
6. Evaluate the cost effectiveness of Bio Diesel Production.

Focus Area:
1. Collection Mechanism, Logistics
2. Production Process
3. Marketing both Organized / Retails
4. Entire Costing
5. Complete Cycle of Bio-Diesel

Methodology
DATA COLLECTION
This project includes collection of data from two sources viz,
1. Primary source
2. Secondary source

Primary source:
This source includes collecting the data through survey by Interview Schedule Method.
• Various Restaurants and Fast Food Joints were visited and details about the cooking oil disposal were collected.

Secondary Source:
The data was collected from the manuals of biodiesel development board, newspaper, journal books. Tools of analysis

Progress Made:
• Various Hotels / Restaurants, Fast Food Joints, Quick Service Restaurants were visited and details about Used Cooking Oil were collected.
• A Total of 30 responses were collected, through interview schedule.
• Agencies that are collecting Used Cooking Oil have been identified.
• Details of Price at which the Used Cooking Oil is being disposed have been collected.

Expected Results:
• Determination of Collection Cost from collection centers to processing units.
• Determination of Production Cost in the production centers.
• Determination of Marketing Cost.
• Determination of Cost of Biodiesel per Litre to the consumer.
• Identifying the provisions for reducing the cost of Biodiesel per Litre