वार्षिक रिपोर्ट • Annual Report • 2016-17

एचपीसीएल बॉयोफ्यूल्स लिमिटेड • HPCL Biofuels Limited

(A wholly owned subsidiary company of Hindustan Petroleum Corporation Ltd.)

BOARD OF DIRECTORS

Mr. Pushp Kumar Joshi
Chairman

Mr. B. K. Namdeo
Director
(Upto 31st October 2016)

Mr. J. Ramaswamy
Director

Mr. Anil Pande
Add. Director
(Effective 1st November 2016)

CHIEF EXECUTIVE OFFICER AND "MANAGER"

Mr. D. K. Saxena
CEO

Contents

Board of Directors

Mr. Pushp Kumar Joshi

Mr. J. Ramaswamy

Mr. Anil Pande

CEO & Manager

Mr. D. K. Saxena

Chief Finance Officer

Mr. Piyush Awasthi

Company Secretary

Ms. Heena Shah

Statutory Auditors

Jaiswal Brajesh & Co.
Chartered Accountants

Bankers

State Bank of India

Registered Office:
HPCL Biofuels Limited
No. 271, Road No. 3E,
Post Box No. 126,
New Patliputra Colony,
Patna – 800 013, Bihar.
www.hpclbiofuels.co.in
E-mail: info@hpclbiofuels.co.in

Generating green fuel for better tomorrow

DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors, it gives us immense pleasure to present the Eighth Annual Report and audited accounts for the financial year ended 31st March, 2017.

PHYSICAL PERFORMANCE

Highlights of the physical performance of the plants during the year 2016-17 are given below:

Particulars	UoM	Sugauli	Lauriya
No of days operated	Days	101	116
Quantity of cane crushed	Lacs MT	2.713	3.263
Sugar produced	MT	25695.4	29637.6
Sugar Recovery	%	9.47	9.08
Ethanol produced	KL	5057.4	5025.5
Power generated	MWhr	27233	40150
Power exported (net)	MWhr	15272	25442

FINANCIAL PERFORMANCE

Summary of financial performance is given as under:

	For the year ended 31/03/2017 (₹ in lacs)	For the year ended 31/03/2016 (₹ in lacs)
Income from Operations	38,252.01	16,873.76
Other Income	342.67	185.92
Total Income	**38,594.68**	**17,059.68**
Total Expenses	32,661.28	14,473.50
PBDIT	**5,933.40**	**2,586.18**
Less-Depreciation	2,758.56	2,736.34
Less-Interest	6,247.32	5,987.64
Profit/(Loss) for the year before Tax and Other comprehensive Income	**(3,072.48)**	**(6,048.22)**
Other Comprehensive Income	4.27	(0.56)
Provision/(Reversal) for Taxes	—	—
Profit/(Loss) for the year after Tax carried forward to Balance Sheet	**(3,068.21)**	**(6,137.80)**

DIVIDENDS & RESERVES

Your company has commissioned it's both the plants during season of financial year 2011-12 and is yet to achieve profitability. Your Directors do not propose to declare any dividend for the financial year ended 31st March, 2017.

The Board of Directors have not proposed to transfer any amount to reserves.

Plant performance

Immediately on completion of the crushing season of 2016-17, actions were taken to initiate the off season maintenance to ensure its completion in all respects well ahead of the start of the next crushing season.

- Sugar Plant

  Lauriya achieved cane crushing of 32.63 lacs quintals while Sugauli could crush only 27.13 lacs quintals as Sugauli started 15 days late due to ongoing major repair of boiler tubes, which had leaked during last season. Average Sugar recovery was better than last year where Lauriya achieved 9.08% and Sugauli ended with 9.47%. This was due to receipt of good quality cane, reduction of time gap between cutting and crushing of cane and improved plant operations over the previous years. The total sugar production stood at 55,333 MT as against 44,133 MT of previous year.

- Ethanol Plant

  Ethanol plants have performed quite well at their rated capacity. Production was 10082 kl against 8522 kl of last year.

- Cogen Plant

  Though the Sugauli plant started bit late, Cogen plant of both the units performed very well and Net power export was at 40,714 MWH against 27,793 MWH of previous year 2015-16.

One of the unit of your Company i.e. plant SUGAULI has received "BEST OVERALL PERFORMANCE SUGAR MILL AWARD" from honorable Director - NSI, at BHARTIYA SUGAR 5th Annual Symposium & Sugar Expo-2017 organized at Kolhapur.

CANE MANAGEMENT

Your company had not only cleared all the cane dues up to the last season, i.e. 100 % payment for the year 2015-16, but had also made timely payments to the cane growers for the current season 2016-17. This has sowed seeds of confidence in them and as per the initial survey, the planting of cane in the cane command area is quite substantial and adequate cane would be available for the next season 2017-18. Your company is also taking steps to get additional area allotted to them as command area so that the crushing season could be extended by some more days.

RENEWABLE ENERGY BENEFITS

Your company is registered with the competent authority for issue of Renewable Energy Certificates (REC) in respect of the captive consumption of power generated by its Cogen plant operating on Bagasse / Biomass. Renewable Energy Certificates have been obtained by the company in accordance with the rules and they are being regularly sold through Power Exchange. The earnings from REC sale during the year was ₹ 127.78 Lacs and value of REC on hand as on 31st March, 2017 was ₹ 2.20 Cr. CERC has made the downward revision in Floor price of REC from ₹ 1,500 per REC to ₹ 1,000 Per REC, this notification is being contested by RE Generators due to which REC Trading has been suspended by H'ble Supreme court of India for the period of eight weeks from May 2017. Trading of RECs has been resumed from 30th August, 2017 after judgment from H'ble Supreme court of India.

MARKETING ACTIVITIES

- **SUGAR**

  Your company sells sugar only through the online trading platform of NCDEX and it has been able to induct many traders from the neighbouring states as well. The realization is quite well and there are no outstanding or bad debts. Due to the suppressed market conditions, the average net realisation during the year had been ₹ 35,984 per MT.

- **ETHANOL**

  HPCL had placed orders for uplifting all the ethanol in stock as well to be produced in the year 2016-17. Your company acknowledges with gratitude the help extended by HPCL by way of advance against ethanol supplies. Supplies to HPCL depots in the state of Bihar have substantially increased, which has resulted in lesser transportation cost and higher realization to your company.

- **POWER**

  Entire surplus power generated has been exported to the BSEB grid and their payments has largely been on time much to the relief of your company.

PERFORMANCE MOU

Your Company has been signing a Memorandum of Understanding (MOU) with its holding company Hindustan Petroleum Corporation Limited (HPCL) as per target set under the guidance of task force assigned by MOP & NG. The performance of the Company for the year 2016-17 qualifies for 'Good' rating basis self-evaluation.

INDIAN ACCOUNTING STANDARD

This year your Company has successfully migrated its accounts recording and reporting system from I-Gap to IND-AS and 2016-17 accounts are prepared and disclosures made in full compliance of IND-AS. We also invite your attention that:

- In NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR 2016-17 – 2.B though its mentioned that Company's functional currency is Indian Rupee (INR) and its financial statements have been presented in INR which is rounded off to nearest lacs (up to two decimals). However, for the sake of clarity and ease of understanding, in case of certain supplementary information (i.e. Earning per Share) has been presented in INR without rounding off.
- On the issue of IND-AS 41 related with Biological Assets, we have been advised by our consultants M/s KPMG that since Qty / Value of cane being cultivated in Company Farms out of Qty / Value of total cane being purchased by the Company is less than 0.3%, same is not applicable in our case due to "Materiality" aspect.

BORROWINGS

Soft loan of ₹1,014 Lacs (which was availed through State Bank of India during 2015-16 with interest subvention to the extent of 10%, as announced by Government of India) has been fully settled during the financial year 2016-17.

GoB Soft Loan of ₹1,648 Lacs availed through State Bank of India (SBI) during financial year 2015-16 with interest subvention to the extent of 10%. Four Installments amounting to ₹ 330 Lacs was paid during financial year 2016-17.

Term Loan of ₹30,880 Lacs was availed through SBI during financial year 2014-15. Three installments amounting to ₹1,158 Lacs was paid during the current financial year 2016-17.

An unsecured Bridge Loan of ₹ 8,400 Lacs which was obtained from the Holding Company during previous year 2015-16 to meet the requirements of payment to cane growers and other working capital requirements, which carries interest at the average borrowing cost of the holding company.

EROSION OF NET WORTH

As on 31.03.2017 the net worth of the company has been eroded to ₹ 3,879.93 Lacs from ₹ 6,948.12 Lacs as on 31.03.2016. Your Company is taking necessary steps to improve the net worth.

CREDIT RATING

The rating of the Company has been upgraded to IND AA- rating with stable outlook for the year 2016-17 from M/s India Ratings & Research (A Fitch Group Company) for the National Long-Term rating resulting reinforcing the faith of the rating agency in the inbuilt resilience of your company.

INSURANCE

Insurance for Plant & Machinery has been obtained from Oriental Insurance Company for the period 20th January, 2017 to 19th January 2018. With a good track record in safe operations and dialogue with the insurers, your company has been able to get a very competitive insurance premium.

MICRO, SMALL & MEDIUM ENTERPRISES (MSME)

Your Company has complied with applicable guidelines under MSME as regards to procurement for the financial year 2016-17.

RELATED PARTY TRANSACTIONS

All transactions entered with related parties for the year under review were on arm's length basis and in the ordinary course of business. Same is disclosed in Form No. AOC-2 as per Annexure to the report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of section 134(3)(c) of the Companies Act, 2013, your Directors confirms that:

1. In the preparation of annual accounts, applicable accounting standards have been followed along with proper explanations relating to material departures;
2. The Company has selected such accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company as on 31st March, 2017 and of the Statement of Profit and Loss of the Company for the year ended on 31st March, 2017.
3. The Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. These Accounts have been prepared on a going concern basis.
5. The Company has devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

MANAGEMENT DISCUSSION & ANALYSIS (MDA) REPORT

Please refer Page No 16 for the report.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

MEETINGS OF THE BOARD/ AUDIT COMMITTEE

Nine meetings of the Board of Directors were held during the year. Particulars of meeting held & attendance of the Board members are covered in Corporate Governance Report. Details about Composition of Audit Committee &it's meetings are covered under Corporate Governance Report.

STATUTORY AUDITORS

M/s. Jaiswal Brajesh & Co., Chartered Accountants (Firm Registration No. 007915C), were appointed as Statutory Auditors by Comptroller & Auditor General of India (C&AG) by their letter dated 4th August, 2016 and shall retire at the conclusion of this Annual General Meeting.

The Notes on Financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

As per provisions of the Companies Act, 2013, the Board of directors have advised C&AG to appoint Auditors of the Company for the financial year 2017-18 to hold office of the auditors from conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM.

COST AUDITOR

M/s. R. Nanabhoy & Co. have been appointed as cost auditors, in accordance with the guidelines issued in this regard. The cost statements for the year 2016-17 as stipulated under the cost audit rules have been prepared and submitted to the cost auditors for the purpose of audit. The cost audit report has been approved by the board & will be filed within the due date.

SECRETARIAL AUDIT

Pursuant to provisions of section 204 of the Companies Act, 2013, your company has appointed M/s. RJSY & Associate, Practicing Company Secretary. The report of the Secretarial Audit is annexed to the report. There are no qualification or adverse remark made in the report except non-compliance on appointment of Independent Directors or woman Director as already stated in para given below on independent Director and woman Director.

INDEPENDENT DIRECTORS & WOMAN DIRECTOR

Under the Companies Act 2013, there is a requirement for appointment of Independent directors including a woman director on the Board of the company. As the company is a Government Company and wholly owned subsidiary of HPCL, the issue was taken up with HPCL for appointment of Independent Directors including a woman director. HPCL have taken up with the Government of India for the appointments but as on date, these appointments have not been made. Due to this, the audit committee of the company could not have an Independent Director. However, as per Ministry of Corporate Affairs notification dated 6th July, 2017, [Ref. no. G.S.R. 839 (E)], Wholly Owned Subsidiary of unlisted public company are exempted from appointment of Independent Directors.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3) (a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as **Annexure** to the Report.

CORPORATE SOCIAL RESPONSIBILITY

As the company does not fall within the limits prescribed under section 135(1) of the Companies Act 2013, the requirements relating to Corporate Social Responsibility do not apply to the company.

NOMINATION AND REMUNERATION COMMITTEE

By virtue of having a paid up share capital of more than ₹500 Cr, your company has constituted a Nomination and Remuneration Committee comprising of Shri P K Joshi, Shri J Ramaswamy and Shri Anil Pandey effective 1st November, 2016 in place of Shri B K Namdeo (upto 31st October, 2016). The Directors of the company are nominated by the holding company (HPCL) who do not receive any remuneration from the Company.

SUPPLEMENTARY AUDIT

Your Company has successfully obtained NIL comments supplementary audit conducted by C&AG i.e. PDCA, Ranchi on accounts for the financial year 2016-17, this is the 4th consecutive year to obtained 'NIL comments' on accounts.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. There is an appropriate mechanism which monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

The internal controls are periodically tested through an Internal Audit done by external agency. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

MANAGERIAL REMUNERATION

Your Company being a Government Company, is exempted from the provisions of section 197 of the Companies Act, 2013 vide Ministry of Corporate Affairs (MCA) notification dated 05.06.2015.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

Appointment:

Shri Anil Pande was appointed as Additional Directors on the Board of your Corporation, effective 01.11.2016

Cessationship:

Shri B. K. Namdeo, Director have ceased to be Directors of the Corporation effective 31.10.2016 on attaining the age of superannuation.

The Board places on record its sincere appreciation for the valuable services rendered by the above Directors during their tenure as Directors of the Company.

PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Your Corporation, being a Government Company, the Performance Evaluation of the Company is carried by the Administrative Ministry i.e. Ministry of Petroleum and Natural Gas (MOP&NG) through the process of Memorandum of Understanding in each Financial Year. Further there is also performance evaluation of Functional Directors by MOP&NG. As per MCA Notification dated 5th June, 2015, Compliance of Section 134 (3) (p) are exempted for Government Companies as Performance Evaluation of Directors are carried out by the MOP&NG as per its own evaluation methodology.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

Your Corporation being a Government Company, is exempted to furnish information under Section 134 (3) (e) of the Companies Act, 2013 vide MCA Notification dated 05.06.2015.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no significant material orders passed by the regulator(s) or courts or tribunals which would impact the going concern status of the Company and its future operations.

RISK MANAGEMENT

The Company has proper mechanism of risk management to identify, quantify and manage all risk and opportunities that may affect the achievement of entity's strategic, legal, operational and financial goals and then taking appropriate actions for documentations, mitigating controls and reporting mechanism of such risks.

CONTINGENT LIABILITY

There are no contingent liabilities other than mentioned in Note No. 59 of notes to accounts.

COMMENTS ON THE QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITORS

There are no qualification, reservation or adverse remark made by the Statutory Auditors in his report.

PARTICULARS OF LOANS, INVESTMENTS & GUARANTEES BY THE COMPANY UNDER SECTION 186

Your company has not invested in any other person, firm or company and has not given guarantee or loan to any other person, firm or company.

DEPOSITS

During the year under review, your Company has not accepted any deposits under the provisions of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposit) Rules, 2014 as amended.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Your company do not have any Subsidiaries, Joint Ventures or Associate companies.

VIGIL MECHANISM

As per the Directives of Ministry of Petroleum & Natural Gas (MOP & NG), the vigilance department of the promoter company i.e. HPCL has been administering the vigilance function of the Company.

WHISTLE BLOWER POLICY

Your Company being subsidiary of HPCL, is covered under the HPCL's Whistle Blower Policy and the same is displayed on the website of the Company at

www.hpclbiofuels.com

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per requirement of the sexual harassment of woman at work place (prevention, prohibition & redressal) Act, 2013 (act) and rules made there under, the companies woman work force has been covered under the duly constituted internal complaints committees (ICC) of the holding company HPCL. However, there were no complaints received during the year under the act by the company

SAFETY, HEALTH AND ENVIRONMENT

Your Company is focused on the Health, Safety and Environment management which is an integral part of all activities carried out at both the Plants i.e. at Sugauli& at Lauriya. It is a proud moment to note that your Company had accident free operations during the period under review.

Your Company has acquired all environmental approval & permission for its operations.

Your company believes that employees are its biggest assets and hence it takes care to ensure the health &well being of all employees.

PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING/ OUTGO AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

In accordance with the requirements of the Companies Act, read with applicable Rules, statement showing the particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is enclosed hereto and forms part of this report marked as **Annexure**.

PARTICULARS OF EMPLOYEES

As regards the provisions of the Companies Act, 2013, read with applicable rules, none of the employees was in receipt of remuneration exceeding the limits prescribed under Rules 5 of the Companies (Appointment & Remuneration of Managerial Personal) Rules 2014.

ACKNOWLEDGEMENTS

The Directors gratefully acknowledge the valuable guidance and support extended by HPCL, Dept. of Industries and Dept. Cane Government of Bihar, BSEB and BSPCB of Government of Bihar, MOE&F, GoI, Ministry of Food & Public Distribution, Government of India and other State Government Agencies.

Your Directors also wish to place on record their appreciation of the dedicated services of the employees of the Company including those deputed by HPCL.

On behalf of the Board of Directors

P K Joshi
Chairman

Date: 01.09.2017
Place: Mumbai

ANNEXURE-1

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING

A. CONSERVATION OF ENERGY

(a) The Company is a green field project and is undertaking manufacturing of Sugar, Ethanol & Cogen Power from crushing of Sugar cane at Sugauli & Lauriya, in the State of Bihar.

(b) The year 2016-17 has been the Sixth year of the operation of the plants, which are in the phase of stabilization and hence measures for reduction of energy consumption would be studied, implemented and their impacts would be assessed in the coming years.

B. TECHNOLOGY ABSORPTION

1. Specific areas in which R & D carried out by the company.

   Your company is in constant dialogue with the Cane department of GoB as well as the agricultural university at Pusa in various areas of cane development. In the years to come, as more specific program would be developed in Technology for improving cane yield per hectare and its recovery Intercropping options based on local needs Introduction of high yielding varieties of seeds for maximizing Sugar production

2. Future Action Plan

   Would embark on the scheme as the plants stabilize in commercial terms

3. Expenditure on R & D

   Nil (Previous year Nil)

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief, made towards technology absorption, adaptation and innovation.

   The following technologies have been used in the plants and the personnel are getting trained in operating and trouble-shooting the equipment along with the technology.

   a) Cane Diffusion Technology

   b) Molecular Sieve Technology

2. Benefits derived as a result of the above efforts.

   Benefits will accrue in the coming years as the plants stabilize on commercial terms.

3. Information regarding Technology imported during the last 5 years.

   (a) Details of technology imported and year of import.

   - Not Applicable

   (b) Has technology been fully absorbed, and if not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action.

   - Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Activities relating to exports; initiatives taken to increase exports; developments of new export markets for products and services; and export plans

-Nil-

(b) Total foreign exchange used and earned.

	(In ₹ '000s)
Total foreign exchange used	
Consultancy services/others	Nil
Total foreign exchange earnings	Nil

ANNEXURE-2

FORM NO. AOC - 2

(PURSUANT TO CLAUSE (H) OF SUB-SECTION (3) OF SECTION 134 OF THE ACT AND RULE 8(2) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements/transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions'	Nil
f)	Date of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	HPCL, Holding Company
b)	Nature of contracts/arrangements/transaction	Sale of Ethanol / Purchase of Lubes & Sulphur / Deputation of Personnel / Sub-lease of land
c)	Duration of the contracts/arrangements/transaction	April 2016 to March 2017
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sales of ethanol - ₹ 4,412.06 Lacs, Purchase of lubes / Sulphur- ₹ 37.46 Lacs, Interest paid to HPCL on Bridge loan- ₹ 689.19 Lacs, Interest paid to HPCL on Ethanol Advance - ₹ 24.14 Lacs, Salary etc. of personnel deputed from HPCL - ₹ 132.78 Lacs, One time Lease Premium received for Land at Sugauli transferred to HPCL – ₹ 1,594.07 Lacs.
e)	Date of approval by the Board	—
f)	Amount paid as advances, if any	—

(* balance on advance availed during P/Y ₹111,289,092/-)

On behalf of the Board of Directors

Place: Mumbai
Date: 01.09.2017

P K Joshi
Chairman

Form No. MR-3 **ANNEXURE-3**

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

To,
The Members,
HPCL BIOFUELS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HPCL BIOFUELS LIMITED (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the HPCL BIOFUELS LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by HPCL BIOFUELS LIMITED for the financial year ended on 31st March 2017, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. Foreign Exchange Management Act, 1999 ('FEMA') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, overseas Direct Investment and External Commercial Borrowings (Not Applicable);
3. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under (Not Applicable);
4. The Depositories Act, 1996 and the Regulations and Bye- Laws framed there under (Not Applicable);
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the Audit Period as the Company is not a listed entity :-
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
   i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
   j) The Company has complied with The Bihar Sugarcane (Regulation of Supply and Purchase) Act 1981;
   k) Other laws to the extent applicable to the Company as per the representations made by the Company;

We have also examined compliance with the applicable clauses of the following:

Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the above mentioned Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations:

Companies Act 2013

The Company is a Government Company, by virtue of being a wholly owned subsidiary of another government company. The directors of the Company are therefore appointed in accordance with the directions/instructions issued by the Central Government. The company has requested the Central Government to nominate individuals for the purpose of appointment as independent directors, including a woman director on the Board. We are informed that the company has not received any direction/instruction from the Central Government till date, in this respect and in the circumstances, the company could not appoint any independent directors on its Board nor does the Board include a Woman director as required under the provisions of Section 149 of the Act.

However, as per Ministry of Corporate Affairs notification dated 6th July, 2017, [Ref. no. G.S.R. 839 (E)], Wholly Owned Subsidiary of unlisted public company are exempted from appointment of Independent Directors.

We further report that-

The Board of Directors of the Company is constituted with Non-executive directors. The company has not appointed Independent directors, nor does the Board of directors include a woman director as required under the Act. The Company does not have any executive directors as there is a Manager who is responsible for the executive functions. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings which was sent at least 7 days in advance except for Board meetings, which were held at a shorter notice to transact urgent business. The agenda and detailed notes on agenda were also sent before the meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period in my opinion, there are no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For RJSY& ASSOCIATES
Company Secretaries.

Sd/-
Place: Mumbai **Sadhana Yadav**
Date: 12th July, 2017 ACS No: 27559

Certificate of Practice No. 16932

To,
The Members
HCPL Biofuels Limited

Our report of even date is to be read along with this letter.

Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For RJSY& ASSOCIATES.
Company Secretaries.

Sd/-

Sadhana Yadav
Place: Mumbai ACS No: 27559
Date: 12th July, 2017 Certificate of Practice No. 16932

FORM NO. MGT-9

ANNEXURE-4

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U24290BR2009GOI014927
2.	Registration Date	16th October, 2009
3.	Name of the Company	HPCL BIOFUELS LIMITED
4.	Category/Sub-category of the Company	—
5.	Address of the Registered office & contact details	271, Road No 3E New Pataliputra Colony Patna 800 013 Ph: 0612-2260069
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Sugar	15421	82.78
2.	Ethanol	24116	10.74
3.	Cogen Power	40108	6.09

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1.	Hindustan Petroleum Corporation Limited No. 271, Road No. 3E, Post Box No. 126, New Patliputra Colony, Patna – 800 013, Bihar.	L23201MH1952GOI008858	Holding	100%	

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.		205520000	205520000	100%		205520000	205520000	100%	Nil
e) Banks / FI									
f) Any other									
Total shareholding of Promoter (A)		205520000	205520000	100%		205520000	205520000	100%	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-		Nil	Nil	Nil		Nil	Nil	Nil	Nil
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual share holders holding nominal share capital upto ₹1 lac									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac									
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-		Nil	Nil	Nil		Nil	Nil	Nil	Nil
Total Public Shareholding (B)=(B)(1)+ (B)(2)		Nil	Nil	Nil		Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs		Nil	Nil	Nil		Nil	Nil	Nil	Nil
Grand Total (A+B+C)		205520000	205520000	100%		205520000	205520000	100%	Nil

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	HPCL	205519990		—	205519990		—	
2	S Bhosekar	1		—	1		—	
3	Praful Agarwal	1		—	0		—	
4	K V Rao	1		—	0		—	
5	P K Joshi	1		—	1		—	
6	B K Namdeo	1		—	1		—	
7	V N Nehete	1		—	0		—	
8	V K Patel	1		—	0		—	
9	G Mohan	1		—	0		—	
10	M K Singh	1		—	1		—	
11	Bhattacharjee S	1		—	0		—	
12	S P Gupta	0		—	1		—	
13	Manoj Gupta	0		—	1		—	
14	J Ramaswamy	0		—	1		—	
15	D K Saxena	0		—	1		—	
16	Praveen Mishra	0		—	1		—	
17	Barun Kumar	0		—	1		—	

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares shares of the	% of total company	No. of shares shares of the	% of total company
	At the beginning of the year	205520000	100%	205520000	100%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	205520000	100%	205520000	100%

D) Shareholding Pattern of top ten Shareholders
(Other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable

E) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4	0.0001%	4	0.0001%
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	3	0.0001%	3	0.0001%

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ Cr)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	324.12	189.82	—	513.94
ii) Interest due but not paid				
iii) Interest accrued but not due	2.74	1.07	—	3.81
Total (i+ii+iii)	**326.86**	**190.89**	**—**	**517.75**
Change in Indebtedness during the financial year				
* Addition	0.18	15.35	—	15.53
* Reduction	(17.62)	(1.07)	—	(18.69)
Net Change	**(17.44)**	**14.28**	**—**	**(3.16)**
Indebtedness at the end of the financial year				
i) Principal Amount	309.42	205.17	—	514.59
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	2.91	—	—	2.91
Total (i+ii+iii)	**312.33**	**205.17**	**—**	**517.5**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Not Applicable

B. Remuneration to other directors: Not Applicable

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S N	Particulars of Remuneration	Key Managerial Personnel			
		CEO	**CFO**	**CS**	**Total**
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29,87,735	25,78,018	20,43,682	76,09,435
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,04,156	4,63,888	69,009	9,37,053
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission				
	- as % of profit	—	—	—	—
	others, specify	—	—	—	—
5	Others, specify (PF – Co contribution, DCS exemption & Co Borne Tax)	—	—	—	—
	Total	33,91,891	30,41,906	21,12,691	85,46,488

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Not Applicable

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Sugar industry in India remained to be fairly balanced during the year 2016-17. The world market is running with surplus of sugar because of the weak energy prices and the general slowdown of global economy. The production of sugar in India during season 2016-17 was comparatively lower than the previous year due to drought in some parts of the country.

Due to less production in the year 2016-17, India witnessed steady trend. The Bihar ex-mill price remained between r 37 to 39. To make faster payment of sugar cane and to meet the bank borrowings, mills were selling final product with market risk.

Main reason for lower sugar production in India during season 2016-17 was due to draught in Karnataka & Maharashtra state, which forced to close crushing early. In other parts of the country also, monsoon during 2016-17 was below average. Delayed cane payment during the year preceding to last year, also contributed for less production. In Bihar state, late rain affected the yield and recovery sharply. Reluctance of some farmers in Bihar to replace the rejected cane variety with early variety also contributed for reduced sugar production.

Recent GoI decision for increasing import duty on all type of sugar from 40% to 50% will curb dumping of commodity in India. This is widely welcomed by Indian Sugar industry.

Revision in prices of Ethanol, supplied to oil marketing companies (OMC), is in the agenda. This is another ray of hope for Ethanol producing mills and will give big relaxation to the Ethanol producers.

During the year 2016-17, both mills of your company have set the records in terms of various efficiency & performance parameters. Your company's one unit achieved 3rd position in the State of Bihar in terms of recovery. Total sugar produced by your company was 55333 MT which is highest ever since the inception and 25% more than the previous year.

In the presence of big player in the sweet market and with a severe competitive situation, your company was able to sell sugar very well. The production of season 2016-17 and balance stock of 14-15 & 15-16 was fully sold out at a good price. The sales quantity of 83,472 MT was 81% more than the historical. Your company has produced good marketable sugar, the average realisation of ₹ 37,934/MT is at par with other competitor in Northern part of country and is 43% more than the previous year.

HPCL, the parent company, continued its support to your company by timely lifting of Ethanol from both the units and consuming entire production at their two terminals at Bihta and Barauni, within the state of Bihar for better realisation of revenue. Total Ethanol produced during the year was 10082 KL, which is 18% higher than previous year. Focused efforts are being made to find ways to operate the Ethanol plant for a prolonged period by sourcing molasses from the market.

Indian sugar business has four pillars - Farmers, Sugar mills, Consumer and Government. Adoption of high quality variety and increase of cane cultivation area by farmers play a vital role for the performance of the sugar mill. Your company is continuously working with GoB for continuous improvement in variety and increasing the cultivation area. Joint efforts are showing up the results with better yield and increased ratio of premium variety in the mill area. Your company is continuously working with Farmers also for further development in the variety and transportation of faster and cleaner cane from field to the mill.

In the area of industrial relations, your company has a healthy atmosphere and congenial work culture. People in all the functions have acquired a fair amount of expertise, which has reflect in the performance of the year and it would help the company turnaround in the next few years. In the area of environmental conservation, the company is doing the best in the industry. Your company is focused to implement the CPCB guideline and investing considerable amount in this current year.

Your company has prime focus for Cogen plant operation and this year achieved record performance. Both the units were able to export 40,714 MWH of net power to Bihar state, which is 55% more than the historical. The power generation has been managed with available bagasse and other bio-mass like rice husk. It is being planned to extend the operation of power plant beyond the crushing season.

As the company is yet to post profit, the activities in the realm of CSR are yet to take off, though it does every possible thing to help the people of the vicinity in the remote districts of East & West Champaran of Bihar.

Sugar production in India is estimated to go up by 25-30% in the year 2017-18 with higher sowing of cane. Current financial year 2017-18 shows steady trend of sugar market, which holds a promise for the sugar Industry. The increasing trend of the recovery in some part of the country and hope of fair revision of Ethanol price is also very encouraging to the mills, which can taste a sweeter year ahead.

Monsoon, the vital factor for sugar cane crop, which directly affecting the sugar industry, also certain happenings in the rest of world and production demand scenario has direct influence. Your company has no exception to this phenomena. Technical Excellency, better financial management and cohesive work culture are required to be above the turbulent times and to stride into the realms of profitability and sustainability.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HPCL BIOFUELS LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of **HPCL Biofuels Limited** for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 08 May 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of **HPCL Biofuels Limited** for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on the behalf of the
Comptroller and Auditor General of India

(Indu Agrawal)
Principal Director of Commercial Audit
& ex-officio Member, Audit Board, Ranchi

Place: Ranchi
Date: 20 July 2017

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
HPCL Biofuels Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **HPCL biofuels Limited ("the Company")**, which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

Incoming auditor to audit comparative information for adjustments to transition to Ind AS

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2016 and 31st March 2015 dated 27th May 2016 and 7th May 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in this matter.

Emphasis of Matter

Your attention is also hereby drawn to **Note No. 63** relating to non-appointment of independent/women director to the Board of the Company as required by the Companies Act, 2013. These financial statements have, thus, been reviewed and approved by the Audit Committee and the Board not constituted as per requirements of the Companies Act, 2013. Our opinion is not modified in this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements; (refer **Note No. 59** to the Ind AS financial statements)
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and Disclosure are in accordance with the books of accounts maintained by the Company." (refer **Note No. 65** to the Ind AS financial statements.)

For **JAISWAL BRAJESH & CO**
Chartered Accountants

(NIRMAL KUMAR SAH)
Partner
Membership Number - 015500
Firm Registration Number - 007915C

Place : Patna
Date : 8th May, 2017

"ANNEXURE-A" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE IND AS STANDALONE FINANCIAL STATEMENTS OF HPCL BIOFUELS LIMITED:

Report on matters covered under Companies (Auditor's Report) Order, 2016, as referred to under "Report on Other Legal and Regulatory Matters" paragraph of our report of even date on Ind AS standalone financial statements of HPCL Biofuels Limited for the year ended on 31st March, 2017.

(i) (a) The company has maintained proper records of fixed assets showing full particulars including quantitative details and situation of fixed assets.

(b) Physical verification of these fixed assets has been conducted during the year, the periodicity of which appears reasonable. No material discrepancy was reportedly noticed on such physical verification.

(c) The title deeds of immovable properties are held in the name of the company.

(ii) Physical verification of inventory has been conducted by the management during the year, the periodicity of which appears reasonable. Material discrepancies have been noticed which have been provided for during the year awaiting proper authorization for its proper dealing in the books of account.

(iii) According to the information and explanation given to us, the company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not undertaken any transaction in respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 are attracted.

(v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public.

(vi) We have broadly reviewed the books of account relating to material, labour and other items of cost maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

(vii) (a) On the basis of our examination of the records and according to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with appropriate authorities. There is no arrear of undisputed statutory dues as on the last day of the financial year which was outstanding for a period of more than 6 months from the date the same became payable.

(b) According to the information and explanations given to us, the following amounts have not been deposited on account of any dispute:

Nature of Demand	Amount involved (in Lacs)	Forum where matter is Pending
Disallowance of input tax credit capital goods for 2010-11	698.44	Sales Tax Tribunal, Bihar
Demand of Entry Tax for 2010-11 (₹ 10.22 Lacs paid as advance tax under protest)	68.12	Sales Tax Tribunal, Bihar
Demand of Excise Duty for the period March 2013 to March 2015 by wrong application of Rule 6 of CENVAT Credit Rules, 2004.	2.32	Commissioner Appeal, Central excise
Demand for 2012-13 on account of denial of Input Tax Credit	93.81	Commercial Tax Commissioner, Bihar
Demand for 2013-14 on account of denial of Input Tax Credit	71.65	Commercial Tax Commissioner, Bihar
Demand for 2014-15 on account of denial of Input Tax Credit	38.76	Commercial Tax Commissioner, Bihar
Demand for 2013-14 on account of differential tax due to non-submission of C form at the time of order	93.18	Commercial Tax Commissioner, Bihar
Demand for 2014-15 on account of differential tax due to non-submission of C form at the time of order	315.52	Commercial Tax Commissioner, Bihar
Demand for 2013-14 on account of suppression of purchase turnover ignoring the actual facts	92.09	Commercial Tax Commissioner, Bihar

(viii) On the basis of our examination of the records and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders.

(ix) The Company has not raised any funds by way of term loans, during the year under audit.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

(xi) No managerial remuneration has either been paid or provided during the year.

(xii) The requirements of reporting in respect of Nidhi Companies are not applicable to the Company.

(xiii) On the basis of our examination of the records and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) On the basis of our examination of the records and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) On the basis of our examination of the records and according to the information and explanations given to us, the company has entered into any non-cash transactions with directors or persons connected with him.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **JAISWAL BRAJESH & CO**
Chartered Accountants

(NIRMAL KUMAR SAH)
Partner
Membership Number - 015500
Firm Registration Number - 007915C

Place : Patna
Date : 8th May, 2017

"ANNEXURE-B" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATES ON THE IND AS STANDALONE FINANCIAL STATEMENTS OF HPCL BIOFUELS LIMITED:

Report on matters covered by directions and sub-directions of C & AG, to the extent applicable, as referred to under "Report on Other Legal and Regulatory Matters" paragraph of our report of even date on standalone Ind AS financial statements of HPCL Biofuels Limited for the year ended on 31st March, 2017.

DIRECTIONS U/S 143(5) OF THE COMPANIES ACT 2013

Sl. No.	Directions	Report	Impact
1	Whether the company has clear title / lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title / lease deeds are not available.	Yes. We have further been informed that the documents are in the custody of the bank as security for the Term/ WC loan.	Nil
2	Whether there are any cases of waiver / write off of debts/loans/ interest etc; if yes, the reasons therefore and amount Involved	Nil	Nil
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from the Govt or other authorities.	Not Applicable	Nil

For **JAISWAL BRAJESH & CO**
Chartered Accountants

(NIRMAL KUMAR SAH)
Partner
Membership Number - 015500
Firm Registration Number - 007915C

Place : Patna
Date : 8th May, 2017

"ANNEXURE-C" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS STANDALONE FINANCIAL STATEMENTS OF HPCL BIOFUELS LIMITED:

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of HPCL Biofuels Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **JAISWAL BRAJESH & CO**
Chartered Accountants

(NIRMAL KUMAR SAH)
Partner
Membership Number - 015500
Firm Registration Number - 007915C

Place : Patna
Date : 8th May, 2017

Balance Sheet as at 31st March, 2017

(Amount in ₹ Lacs)

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
I ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	4	52,827.79	55,385.09	57,156.96
(b) Capital work in progress		—	—	—
(c) Other Intangible Assets		12.54	17.05	24.83
(d) Financial Assets				
(i) Investments		—	—	—
(ii) Long-Term Loans	5	—	—	113.47
(e) Deferred Tax Assets (Net)		—	—	—
(f) Other Non-Current Assets	6	9,414.55	10,252.30	10,211.61
Current Assets				
(a) Inventories	7	4,937.31	13,993.49	11,394.35
(b) Financial Assets				
(i) Investments		—	—	—
(ii) Trade Receivable	8	2,012.60	1,106.08	16.29
(iii) Cash & Cash Equivalents	9	10.41	33.28	352.37
(iv) Short-Term Loans	10	29.31	9.99	10.18
(v) Others	11	697.56	1,143.04	999.12
(c) Current Tax Assets (Net)		—	—	—
(d) Other Current Assets	12	519.80	1,011.79	1,369.31
(e) Assets Held for Sale				
TOTAL		**70,461.87**	**82,952.11**	**81,648.49**
II EQUITY AND LIABILITIES				
1. EQUITY				
(a) Equity Share Capital	13	20,552.00	20,552.00	20,552.00
(b) Other Equity	14	(16,672.07)	(13,603.88)	(8,044.65)
2. Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	46,225.07	49,905.87	40,713.82
(b) Provisions	17	80.34	68.26	55.68
(c) Deferred tax liabilities (net)		—	—	—
(d) Other non-current liabilities	18	3,157.81	1,683.59	1,772.85
3. Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	2,197.59	10,366.89	6,418.32
(ii) Trade Payables	20	3,731.13	4,231.80	9,967.97
(iii) Other Financial Liabilities	21	10,602.70	7,635.63	6,224.16
(b) Other Current Liabilities	22	585.32	2,110.21	3,987.76
(c) Provisions	23	1.98	1.74	0.58
(d) Current tax liabilities (net)				
TOTAL		**70,461.87**	**82,952.11**	**81,648.49**

The accompanying notes are Integral Part of the Financial Statements

As per our report of even date attached
For **Jaiswal Brajesh & Co.**
Chartered Accountants

C. A. Nirmal Kumar Sah
Partner
Membership No. 015500
Firm's ICAI Reg. No. 007915C

P. K. Joshi
Chairman

J. Ramaswamy
Director

Place : Mumbai
Date : 08/05/2017

Piyush Awasthi
Chief Finance Officer

D. K. Saxena
CEO & Manager

Heena Shah
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2017

(Amount in ₹ Lacs)

Particulars	Note No.	Year Ended 31st March 2017	Year Ended 31st March 2016
Income			
I. Revenue from Operations (Gross)	**24**	38,252.01	16,873.76
II. Other Income	**25**	342.67	185.92
Total Revenue (I+II)		**38,594.68**	**17,059.68**
Expenses			
Cost of Materials Consumed	**26**	17,031.16	12,627.87
Excise Duty		1,647.32	1,090.02
Consumption of Stores & Consumables		501.30	268.61
Packing Expenses		174.48	190.09
Power & Fuels	**27**	519.21	348.78
Changes in Inventories of Finished Goods, WIP & Stock in Trade	**28**	9,154.70	(2,740.06)
Employee Benefits Expense	**29**	1,891.56	1,415.99
Chemicals Consumed		342.39	240.69
Finance Costs	**30**	6,247.32	5,987.64
Depreciation & Amortization Expense		2,758.56	2,736.34
Other Expenses	**31**	1,399.34	941.93
Total Expenses		**41,667.34**	**23,107.90**
Profit / (Loss) Before Exceptional Items and Tax		(3,072.66)	(6,048.22)
Exceptional Items			
Provision for Gain/(Loss) on Inventory Variation	**32**	0.18	(89.58)
Profit / (Loss) Before Tax		**(3,072.48)**	**(6,137.80)**
Tax Expense			
(1) Current Tax		—	—
(2) Deferred Tax		—	—
Profit / (Loss) from Continuing Operations		**(3,072.48)**	**(6,137.80)**
Discontinuing Operations			
Profit / (Loss) from Discontinuing Operations (Before Tax)		—	—
Total Operations			
Tax Expense on Discontinuing Operations		—	—
Profit/(Loss) from Discontinuing Operations (After Tax)		—	—
Profit / (Loss) for the Year		**(3,072.48)**	**(6,137.80)**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		4.27	(0.56)
(ii) Income tax on above			
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax on above			
Total Other Comprehensive Income for the period		4.27	(0.56)
Total Comprehensive Income for the period		**(3,068.21)**	**(6,138.36)**
Earnings Per Equity Share (of ₹ 10/- each) :-			
(1) Basic before extraordinary items		(1.49)	(2.99)
(2) Diluted before extraordinary items		(1.49)	(2.99)
(3) Basic after extraordinary items		(1.49)	(2.99)
(4) Diluted after extraordinary items		(1.49)	(2.99)

The accompanying notes are Integral Part of the Financial Statements

As per our report of even date attached
For **Jaiswal Brajesh & Co.**
Chartered Accountants

C. A. Nirmal Kumar Sah
Partner
Membership No. 015500
Firm's ICAI Reg. No. 007915C

P. K. Joshi
Chairman

J. Ramaswamy
Director

Place : Mumbai
Date : 08/05/2017

Piyush Awasthi
Chief Finance Officer

D. K. Saxena
CEO & Manager

Heena Shah
Company Secretary

Notes Forming Part of the Financial Statements for the year 2016-2017

1. **CORPORATE INFORMATION**

The Company (HPCL Biofuels Ltd or HBL) has been formed as a wholly owned subsidiary of M/s Hindustan Petroleum Corporation Limited (HPCL), a Public Sector undertaking, as a backward integration initiative. The Company had taken over two of the closed sugar mills of Bihar State Sugar Corporation at Sugauli in East Champaran and Lauriya in West Champaran in the state of Bihar. The company is engaged in the business of manufacturing sugar and ethanol from crushing of sugarcane and generation of power from the bagasse generated in the process. Both the units of the company were commissioned during the financial year 2011-12.

2. **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

A. Authorization of financial statements

The Financial Statements were authorized for issue in accordance with a resolution of the directors on 8th May 2017.

B. Basis of preparation of Financial Statements

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant Provisions of Companies Act, 2013 and Rules thereunder.

The Financial Statements have been prepared under historical cost convention basis except for certain assets and liabilities which are measured at fair value.

The Company's presentation and functional currency is INR Lacs.

C. Use of judgments, estimates & assumptions

While preparing financial statements in conformity with Ind AS, we make certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. We continually evaluate these estimates and assumptions based on the most recently available information.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:-

- Financial instruments;
- Useful lives of property, plant and equipment and intangible assets;
- Valuation of inventories;
- Measurement of recoverable amounts of cash-generating units;
- Assets and obligations relating to employee benefits;
- Provisions;
- Evaluation of recoverability of deferred tax assets; and
- Contingencies.

D. Property, Plant and Equipment

- Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.
- An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net realisable value and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.
- The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted prospectively.
- Lease arrangements for land are identified as finance lease in case such arrangements result in transfer of the related risks and rewards to the Company. Accordingly, the Company identifies any land lease arrangement with a term in excess of 99 years as a finance lease.

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

- Stores & Spares which meet the definition of property plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.
- Depreciation on Fixed Assets is provided on the Straight Line method on the basis of useful life determined, in the manner and at the rates calculated based on the useful life recommended under Schedule II to the Companies Act, 2013 and is charged pro rata on a daily basis on assets, from/up to and inclusive of the month of capitalization/sale, disposal or deletion during the year. In case of restatement of carrying value of any asset due to any price adjustments warranted due to receipt of government grants, the depreciation on revised unamortized depreciable amount is charged prospectively over the residual useful life of the asset. Residual value has been considered at 5%.

  Depreciation on stores and spares specific to an item of property, plant and equipment is based on life of the related property, plant and equipment.
- On the date of transition to IND AS i.e. 1st April, 2015, the Company has elected to continue with the carrying value of Property, Plant and Equipment existing as per previous IGAAP and use that as its deemed cost.

E. Intangible assets

- Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in Statement of Profit or Loss in the period in which the expenditure is incurred.
- Cost of Software directly identified with hardware is capitalized along with the cost of hardware. Application software is capitalized as Intangible Asset.
- Intangible assets are amortised on straight line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at each year end. The amortization expense on intangible assets with finite lives and impairment loss is recognised in the statement of profit and loss.

F. Cash Flow Statement

The cash flow statement is prepared by indirect method set out in Ind AS 7 on cash flow statements and presents the cash flows by operating, investing & financing activities of the company. Cash & cash equivalent presented in the cash flow statement consist of balance in the Bank account and cash in hand.

G. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

H. Impairment of non-financial assets

At each balance sheet date, an assessment is made of whether there is any indication of impairment.

If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

I. Inventories

- Finished goods are valued at cost on FIFO basis or net realizable value whichever is lower. Cost includes Material Cost, Conversion cost and other cost incurred to bring the inventory to its present condition and location. Absolute Alcohol has been considered as finished product as it meets all specs of ethanol.
- Work In Progress is valued at lower of cost or estimated realizable value. Cost includes Material Cost & conversion cost as applicable.

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

- By products are valued at estimated realizable value.
- Stock in trade is valued at cost on weighted average basis or net realizable value whichever is lower.
- Stores and spares which do not meet the recognition criteria under Property, Plant and Equipment are valued at weighted average cost.

J. Government Grants

- Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.
- When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.
- When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.
- When the grants received are non – monetary in nature, the asset and the grant are recorded at fair value amounts and recognised in profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

K. Employee benefits

- **Short-term employee benefits**

  Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit & Loss of the year in which the related services are rendered.

- **Post-employment benefits**

  Liability towards gratuity is determined on actuarial valuation carried out by independent actuary at the year-end by using Projected Unit Credit method. Actuarial gains/losses arising on defined benefit plans are recognised in Other Comprehensive Income (OCI).

- **Other long-term employee benefits**

  Provision for Leave Encashment is made based on the actuarial valuation and the difference in the provision required at year end is charged to the Profit & Loss Account. The provision is calculated using Projected Unit Credit Method.

L. Revenue recognition

- Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.
- Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.
- Revenue from the sale of goods includes excise duty and is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, sales tax and applicable trade discounts and allowances.

M. Excise Duty

Liability for excise duty in respect of goods produced by the company is accounted upon clearance and provision is made for excisable manufactured goods lying in stock as on the balance sheet date

N. Taxes on income

- **Current Tax**

  Income-tax Assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the time of reporting.

  Current Tax relating to items recognised outside the Statement of Profit or Loss is recognised outside the statement of Profit or Loss (either in other comprehensive income or in equity). Current Tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

- **Deferred tax**

  Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

  Deferred tax liabilities are recognised for all taxable temporary differences.

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

O. Provisions and contingent liabilities

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expenses relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

P. Financial Instruments

i. Financial Assets

- **Classification**

  The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

- **Initial recognition and measurement**

  All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

- **Debt instruments at amortised cost**

  A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss.

- **Equity investments**

  All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

  For equity instruments classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Consolidated Statement of Profit and Loss, even on sale of such investments.

  Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

- **Derecognition**

  A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

a) The Company has transferred substantially all the risks and rewards of the asset, or

b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

- **Impairment of financial assets**

  In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ii. Financial Liabilities

- **Classification**

  The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value

- **Initial recognition and measurement**

  Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

  All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

  The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

- **Loans and borrowings**

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Consolidated Statement of Profit and Loss when the liabilities are derecognized.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Consolidated Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

- **Derecognition**

  A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

Q. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

R. Fair value Measurement

The Company measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

3. Explanation of transition to IND AS

Optional exemptions availed and Mandatory exceptions

a. For the purposes of reporting as set out in Note no. 2, we have transitioned our basis of accounting from Indian generally accepted accounting principles (“IGAAP”) to Ind AS. The accounting policies set out in Note no. 2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the “transition date”).

In preparing our opening Ind AS balance sheet, we have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, we did not revise estimates previously made under IGAAP except where required by Ind AS.

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. Following are the exemptions opted by the Company.

i. Property, plant and equipment and intangibles exemption: The Company has elected to apply the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment and intangibles as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (April 1, 2015).

ii. Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

Reconciliation of total equity as at 31 March 2016 and 1 April 2015

(₹ In Lacs)

Particulars	Foot Note reference	31 March 2016	1 April 2015
Net worth under IGAAP		**17,445.97**	**22,423.20**
Summary of Ind AS adjustments			
Reclassification of preference shares to liability	2	(41,965.15)	(41,965.15)
Fair valuation and amortization of preference shares carried at amortized cost upto 1 April 2015	2	32,006.56	32,006.57
Interest expense on preference shares carried at amortized cost	2	(1,165.15)	—
HPCL Bridge loan subsequently carried at amortized cost	3	542.02	—
Transaction cost on borrowings carried at amortized cost	4	115.85	124.95
Timing of revenue recognition	5	—	(3.44)
Prior period adjustment	6	(31.96)	(78.78)
Total Ind AS adjustments		**(10,497.83)**	**(9,915.85)**
Net worth under Ind AS		**6,948.12**	**12,507.35**

Profit reconciliation

(₹ In Lacs))

Particulars	Foot Note reference	31 March 2016
Profit for the year as per IGAAP		(4,977.23)
Summary of Ind AS adjustments		
Interest expense on preference shares carried at amortized cost	2	(1,165.15)
Interest expense on HPCL bridge loan	3	(37.10)
Transaction cost on borrowings carried at amortized cost	4	(9.14)
Timing of revenue recognition	5	3.44
Actuarial gain/loss recognised in other comprehensive income	9	0.56
Prior period adjustments	6	46.82
Total Ind AS adjustments		**(1,160.57)**
Profit for the year as per Ind AS		**(6,137.80)**

Foot Notes to the Reconciliation

1. Figures as per IGAAP as on 01.04.2015 and 31.03.2016 have been re-classified / re-grouped / re-stated wherever necessary.

2. Preference shares subsequently measured at amortized cost

Under IGAAP, preference shares were treated as part of equity share capital. However, under Ind AS the same shall be treated as financial liability based on the criteria laid down in Ind AS 109. Hence, preference shares issued need to be fair valued on initial recognition and shall be subsequently measured at amortized cost. Finance cost on such instrument has been recognized using effective interest rate (EIR) method.

3 HPCL bridge loan subsequently measured at amortized cost

The Company has taken a bridge loan from its parent company. Interest rate charged on the loan is the parent's weighted average borrowing rate. Under IGAAP, bridge loan has been recorded at the nominal amount at which the loan has been received.

Under Ind AS, bridge loan from HPCL has been fair valued on initial recognition and is subsequently carried at amortized cost. Finance cost on such instrument has been recognized using effective interest rate method.

4 Adjustment for transaction costs on borrowings carried at amortized cost:

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in profit or loss over the tenure of borrowing as part of the interest expense by applying the effective interest rate method.

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

Under IGAAP, transaction costs incurred on borrowing were charged off to profit and loss account in the year of incurrence. However, under Ind AS, the same shall be reduced from borrowings and amortized based on effective interest rate method and presented as part of interest cost.

5 Timing of revenue recognition:

Under IGAAP, revenue from sale of goods is recognised when the same leave the Company's premises. However, under Ind AS, revenue shall be recognised when significant risks and rewards have been transferred.

Accordingly, in situations where goods have left Company's premises but Company continues to exercise effective managerial control on such goods till the time the goods reach the customer's premises, revenue is deferred and recognised when goods are accepted by the customer.

6 Prior period adjustments:

Under IGAAP, prior period adjustments were recognized in the year in which error is identified. Under Ind AS, prior period errors are required to be corrected retrospectively by restating the comparative amounts for the prior period presented in which the error occurred or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

Error relating to prior period has been recognized in 2015-16 in statement of profit and loss account under IGAAP. Such amount needs to be pushed back to earlier periods by restating the opening balances of asset, liability and equity under Ind AS.

Similarly, the prior period errors pertaining to 2015-16 identified in 2016-17 have been recorded in financial statements of 2015-16 under Ind AS.

7 Government grant received against purchase of asset

Under IGAAP, the Company had deducted the grant received from government from the cost of fixed assets. Under Ind AS, asset related government grant need to be recognised as deferred income in accordance with the requirements of Ind AS 20. Deducting the amount of grant from the value of related asset is not permitted under Ind AS.

As a consequence, to recognize the amount of unamortized deferred income as at the date of the transition, the Company has made the corresponding adjustment to the carrying amount of property, plant and equipment (net of cumulative depreciation impact) as the grant is directly linked to the property, plant and equipment.

8 Excise duty

Under IGAAP, revenue from sale of goods was presented net of the excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty.

The excise duty has been presented in the Statement of Profit and Loss as an expense.

This has resulted in an increase in the revenue from operations and expenses for the year ended 31 March 2016.

9 Actuarial gains/(losses)

Under Ind AS, the Company's accounting policy is to recognize all actuarial gains and losses on post-employment benefit plans in other comprehensive income.

Under IGAAP the Group recognised actuarial gains and losses in the statement of profit and loss. However, this has no impact on the total comprehensive income and total equity as on 1 April 2015 as well as 31 March 2016.

10 Reclassification of leasehold land into operating leases

Under IGAAP, the Company has classified leasehold land with a lease period of less than 99 years as leasehold land under tangible fixed assets. The same was amortized over the tenure of lease and presented understatement of profit and loss as depreciation and amortization expense.

Under Ind AS, land leases with long tenure of lease are required to be classified as finance lease. Hence, Corporation has decided to consider leasehold lands with lease period of more than 99 years as finance lease. Also, land with a lease tenure of 99 years or less is treated as operating lease and amortized over the tenure of lease as rent expense. The amortization of prepaid operating lease rentals is presented under rent expense.

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

NOTE 4
Property Plant & Equipment

(Amount in ₹ Lacs)

Cost or Value	Tangible Assets						Intangible Assets	Total
	Freehold Land	Plant & Machinery	Furniture & Fixtures	Computers & Printers	Building	Total (₹)	Computer Software	
As on 01.04.15	20.36	52,594.14	83.67	30.98	4,427.78	57,156.93	24.83	57,181.76
Additions	—	956.72	—	—	—	956.72	—	956.72
Disposals	—	—	—	—	—	—	—	—
Other Adjustments	—	—	—	—	—	—	—	—
Borrowing Cost	—	—	—	—	—	—	—	—
01.04.16	20.36	53,550.86	83.67	30.98	4,427.78	58,113.65	24.83	58,138.48
Additions	—	191.15	0.26	1.77	—	193.18	3.57	196.75
Disposals	—	—	—	—	—	—	—	—
Other Adjustments	—	—	—	—	—	—	—	—
Exchange Difference	—	—	—	—	—	—	—	—
Borrowing Cost	—	—	—	—	—	—	—	—
At 31.03.17	**20.36**	**53,742.01**	**83.93**	**32.75**	**4,427.78**	**58,306.83**	**28.40**	**58,335.23**
Depreciation								
As on 01.04.15	—	—	—	—	—	—	—	—
Charge for the Year	—	2,530.69	13.38	11.16	173.33	2,728.56	7.78	2,736.34
Disposal/Adjustments	—	—	—	—	—	—	—	—
As on 31.03.16	—	2,530.69	13.38	11.16	173.33	2,728.56	7.78	2,736.34
Charge for the Year	—	2,560.08	13.35	4.90	172.15	2,750.48	8.08	2,758.56
Disposal/Adjustments	—	—	—	—	—	—	—	—
As on 31.03.17	**—**	**5,090.77**	**26.73**	**16.06**	**345.48**	**5,479.04**	**15.86**	**5,494.90**
Impairment Loss								
As on 01.04.15	—	—	—	—	—	—	—	—
At 31.03.16	—	—	—	—	—	—	—	—
Charge for the Year	—	—	—	—	—	—	—	—
As on 31.03.17	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Net Block (Gross Value-Depreciation-Impairment Loss)								
As on 31.03.16	20.36	51,020.17	70.29	19.82	4,254.45	55,385.09	17.05	55,402.14
As on 31.03.17	20.36	48,651.24	57.20	16.69	4,082.30	52,827.79	12.54	52,840.33

The Company has availed the deemed cost exemption in relation to the property, plant and equipment and intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 1, 2015 under the previous GAAP

Particulars	Tangible Assets						Intangible Assets	Total
	Freehold Land	Plant & Machinery	Furniture & Fixtures	Computers & Printers	Building	Total (₹)	Computer Software	
Gross block	20.36	63,621.50	121.51	165.98	4,860.16	68,789.51	49.36	68,838.87
Accumulated depreciation	—	11,027.33	37.84	135.00	432.38	11,632.55	24.53	11,657.08
Net block	20.36	52,594.17	83.67	30.98	4,427.78	57,156.96	24.83	57,181.79

(Rounding off errors have been adjusted)

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

(Amount in ₹ Lacs)

Particulars	As At 31st March, 2017	As At 31st March, 2016	As At 1st April 2015
Non-Current Investments			
Total Non - Current Investments	—	—	—
NOTE 5			
LONG-TERM LOANS			
Unsecured, Considered Good			
Capital Advances	—	—	—
Advances Recoverable in Cash or for Value to be Received (BSEB)	—	—	113.47
Total	**—**	**—**	**113.47**
Other Non-Current Financial Assets			
Other Non-Current Financial Assets	—	—	—
Total	—	—	—
NOTE 6			
OTHER NON-CURRENT ASSETS			
Capital Advances	88.64	400.11	390.44
Other Deposits	7.92	9.60	7.98
Balances with Excise, Customs, Port Trust etc.	1,674.87	2,049.03	1,869.18
Prepaid Operating Lease Premium	7,643.12	7,793.56	7,944.01
Total	**9,414.55**	**10,252.30**	**10,211.61**
Current Investments			
Non - Trade Investments (Quoted)	—	—	—
Total	—	—	—
NOTE 7			
INVENTORIES			
A. Inventories as per books (Inventory Taken, Valued & Certified by the Management)			
Raw Materials (Including in Transit - Raw Materials)	—	—	—
Finished Products	4,331.27	13,215.35	10,173.47
Finished Products (In-Transit)	55.71	—	46.28
Bio-Compost	81.39	41.91	35.00
Stock-in-Trade	—	0.42	0.11
Work in Progress	141.51	506.90	769.65
Packages	16.57	25.43	57.14
Process Materials & Lubes	102.55	85.90	59.95
Stores & Spares	307.18	216.65	262.23
Total	**5,036.18**	**14,092.56**	**11,403.83**
B. Provision for Gain/(Loss) on Inventory Variation			
Finished Products	(79.24)	(79.17)	(9.48)
Work in Progress	0.36	0.11	—
Stores & Spares	(20.00)	(20.00)	—
Total	**(98.88)**	**(99.06)**	**(9.48)**
C. Net Inventories			
Raw Materials (Including in Transit - Raw Materials)	—	—	—
Finished Products	4,252.03	13,136.17	10,163.99
Finished Products (In-Transit)	55.71	—	46.28
Bio-Compost	81.39	41.91	35.00
Stock-in-Trade	—	0.42	0.11
Work in Progress	141.88	507.01	769.65
Packages	16.57	25.43	57.14
Process Materials & Lubes	102.55	85.90	59.95
Stores & Spares	287.18	196.65	262.23
Total	**4,937.31**	**13,993.49**	**11,394.35**

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

(Amount in ₹ Lacs)

Particulars	As At 31st March, 2017	As At 31st March, 2016	As At 1st April 2015
NOTE 8			
TRADE RECEIVABLES			
Un - Secured Considered Good	2,012.60	1,106.08	16.29
Considered Doubtful	—	—	—
Less: Provision for Doubtful Debts	—	—	—
	2,012.60	**1,106.08**	**16.29**
NOTE 9			
CASH AND CASH EQUIVALENTS			
i. Cash & Cash Equivalents			
Cash on Hand	0.02	0.02	0.02
Cheques Awaiting Deposit	—	—	—
Balances With Scheduled Banks:	—	—	—
– On Current Accounts	10.39	33.26	352.35
– On Non-operative Current Accounts	—	—	—
ii. Other Bank Balances	—	—	—
With Scheduled Banks:	—	—	—
– On Fixed Deposit Accounts	—	—	—
– On Fixed Deposit Accounts (more than 12 months)	—	—	—
Earmarked for Unclaimed Dividend	—	—	—
Total	**10.41**	**33.28**	**352.37**
NOTE 10			
SHORT-TERM LOANS			
Unsecured			
Considered Good			
Share Application Money Pending Allotment	—	—	—
Loans to Related Party	—	—	—
Receivable from Farmer for Cane Seed	10.05	9.99	10.18
Other Advances	19.26	—	—
Total	**29.31**	**9.99**	**10.18**
NOTE 11			
OTHER CURRENT FINANCIAL ASSETS			
Other Recoverable	4.63	61.31	61.31
Employee Advance	0.28	4.34	3.26
Other Accounts Receivable	28.72	28.72	28.72
Less: Provision for Doubtful Other Account Receivable	(28.72)	—	—
Amounts Recoverable under Subsidy Schemes	692.65	935.20	792.36
Instalment of BSEB Advance Receivable	—	113.47	113.47
Total	**697.56**	**1,143.04**	**999.12**
NOTE 12			
Other Current Assets			
Balances with Excise, Customs, Port Trust etc.	273.77	768.87	1,077.33
Vendor Advance	31.15	33.54	90.41
Less: Provision for Doubtful Vendor Advance	(4.16)	(4.16)	(4.16)
Prepaid Operating Lease Premium	150.45	150.45	150.45
Prepaid Expenses	68.59	63.09	55.28
Total	**519.80**	**1,011.79**	**1,369.31**

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

(Amount in ₹ Lacs)

Particulars	As At 31st March, 2017	As At 31st March, 2016	As At 1st April 2015
NOTE 13			
SHARE CAPITAL			
A. Authorised:			
25,00,00,000 Equity Shares of ₹10 each	25,000.00	25,000.00	25,000.00
45,00,00,000 Preference Shares of ₹ 10 Each	45,000.00	45,000.00	45,000.00
Total	**70,000.00**	**70,000.00**	**70,000.00**
B. Issued, Subscribed, Called up & Fully Paid:			
20,55,20,000 Equity Shares of ₹10 each Fully Paid up (100% Held by HPCL)	20,552.00	20,552.00	20,552.00
Total	**20,552.00**	**20,552.00**	**20,552.00**
C. Rights, preferences and restrictions attaching to Equity Shares			
All equity shares are allotted to the holding company "Hindustan Petroleum Corporation Ltd" except 6 equity shares which were allotted to 6 nominees of the holding company.			
D. Shares held by Holding Company - Hindustan Petroleum Corporation Ltd			
Equity Shares	20,552.00	20,552.00	20,552.00
E. Share holding pattern			
Hindustan Petroleum Corporation Ltd			
Equity Shares	100%	100%	100%
F. Shares Reserved	Nil	Nil	Nil
G. Details of shares, which in the last 5 years, were			
issued for other than cash consideration	Nil	Nil	Nil
issued as bonus shares	Nil	Nil	Nil
bought back	Nil	Nil	Nil
H. Terms of any securities convertible into equity issued	Nil	Nil	Nil
I. Calls unpaid	Nil	Nil	Nil
J. Forfeited shares (amount originally paid-up)	Nil	Nil	Nil
NOTE 14			
RESERVES & SURPLUS			
Capital Reserve	579.13	579.13	—
Total	**579.13**	**579.13**	**—**
Capital Grant	—	—	—
Surplus / (Deficit) in Statement of Profit and Loss			
Opening Balance	(14,182.99)	(8,044.65)	(8,044.65)
Add: Profit / (Loss) for the Year	(3,068.21)	(6,138.36)	—
Profit Appropriated to General Reserve	—	—	—
Closing Balance	**(17,251.20)**	**(14,183.01)**	**(8,044.65)**
Other Reserve	—	—	—
Total	**(16,672.07)**	**(13,603.88)**	**(8,044.65)**

Note 15
STATEMENT OF CHANGES IN EQUITY

(All amounts in Indian Rupees Lacs)

A. Equity Share Capital

Balance at 1 April 2016	Changes during the year	Balance at 31 March 2017
20,552.00	—	20,552.00

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

B. Other Equity

	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus					Debt instrum- ents through OCI	Equity instruments through OCI	Effective portion of cash flow hedges	Revaluation surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of OCI (specify nature)	Money received against share warrants	Total
			General Reserve	Securities Premium	Capital Reserve	FCMITDA	Retained Earnings								
Balance at 1 April 2016	—	—	—	—	579.13	—	(14,183.01)	—	—	—	—	—	—	—	(13,603.88)
Changes in accounting policy or prior period errors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Restated balance as at 1 April 2016	—	—	—	—	579.13	—	(14,182.99)	—	—	—	—	—	—	—	(13,603.86)
Profit for the year	—	—	—	—	—	—	(3,072.48)	—	—	—	—	—	—	—	(3,072.48)
Other comprehensive income for the year	—	—	—	—	—	—	4.27	—	—	—	—	—	—	—	4.27
Dividends	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfer to retained earnings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Any other change (to be specified)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Balance at 31 March 2017	—	—	—	—	579.13	—	(17,251.20)	—	—	—	—	—	—	—	(16,672.07)

Note: Capital Reserve is created on account of fair valuation of Bridge Loan provided by HPCL and the same is not available for distribution as Dividend.

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

(Amount in ₹ Lacs)

Particulars	As At 31st March, 2017	As At 31st March, 2016	As At 1st April 2015
NOTE 16			
LONG-TERM BORROWINGS			
Secured Loans (Against Hypothecation of Fixed & Current Assets)			
Bank Term Loan (Repayable in 48 Structured Quarterly Instalments Starting from Q2 of 2016-17) (Rate of Interest @ 1 Year MCLR + 1.95% Fixed Spread)	29,628.11	30,770.67	30,755.24
Less: 4 Installments totalling ₹ 1544 Lacs due in FY 2017-18	(1,544.00)	(1,158.00)	—
GOB Soft Loan (Repayable in 20 equal Quarterly Instalments starting from Q1 of 2016-17) (Rate of Interest @ 1 Year MCLR + 2.95% Fixed Spread)	1,313.78	1,641.48	—
Less: 4 Installments totalling ₹ 330 Lacs	(330.00)	(330.00)	—
Total A	**29,067.89**	**30,924.15**	**30,755.24**
Un-Secured Loans			
41,96,51,511 nos 5 % Non Cumulative 14 year redeemable Preference Shares @ ₹10/- each (100 % held by HPCL)	12,425.21	11,123.74	9,958.58
Rights, Preferences and Restrictions attaching to Preference shares			
All preference shares are allotted to the holding company “Hindustan Petroleum Corporation Ltd”. They carry preference dividence of 5%, are non cumulative and are redeemable at the end of 14 years from issue, i.e. in March 2028			
Loans & Advances from Related Parties (Bridge loan from HPCL repayable in 10 quarterly installments starting from June 2017)	8,091.97	7,857.98	—
Less: 4 Installments totalling ₹ 3360 Lacs due in FY 2017-18	(3,360.00)	—	—
Total B	**17,157.18**	**18,981.72**	**9,958.58**
Total (A+B)	**46,225.07**	**49,905.87**	**40,713.82**
Other Financial Liabilities			
Other Deposits	—	—	—
Accrued Charges/Credits	—	—	—
Other Liabilities	—	—	—
Total	**—**	**—**	**—**
NOTE 17			
LONG TERM PROVISIONS			
Provision for Gratuity	65.38	54.62	41.69
Provision for Leave Encashment	14.96	13.64	13.99
Total	**80.34**	**68.26**	**55.68**
NOTE 18			
OTHER NON CURRENT LIABILITIES			
Deferred Government Grant	1,594.34	1,683.59	1,772.85
Deferred Lease Rental Premium	1,563.47	—	—
Total	**3,157.81**	**1,683.59**	**1,772.85**
NOTE 19			
SHORT TERM BORROWINGS			
Secured Loans			
Cash Credit (Hypothecation of Debtors & Inventory)	2,197.59	10,366.89	6,418.32
(Rate of Interest @ 1 year MCLR+1.25% Fixed Spread)			
Overdrafts from Banks (Secured by Hypothecation of Stock-in-Trade)	—	—	—
Total	**2,197.59**	**10,366.89**	**6,418.32**

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

(Amount in ₹ Lacs)

Particulars		As At 31st March, 2017	As At 31st March, 2016	As At 1st April 2015
NOTE 20				
TRADE PAYABLES				
Operating Expenses Payable to HPCL		895.48	774.25	637.34
Accrued Expense - Payable		675.44	468.73	1,136.52
Payable to Cane Growers		1,731.22	2,429.18	7,084.46
Payable to Trade Vendors		428.99	559.64	1,109.65
	Total	**3,731.13**	**4,231.80**	**9,967.97**
NOTE 21				
OTHER CURRENT FINANCIAL LIABILITIES				
Payable to Contractor/Vendor (Capital Assets)		3,397.82	4,064.29	4,184.86
Retention from Vendors		229.99	197.98	142.40
Security Deposit from Contractors		95.22	87.00	143.96
Road Map Scheme - Lauriya		0.12	0.12	0.12
Farmer Loan		0.37	0.37	0.86
Accrued Liability-EPCC Vendor		1,155.10	1,278.91	1,354.59
Unclaimed Cheque		13.71	16.01	11.07
Interest Accrued but not due		291.40	412.66	306.86
Current Maturities of Long Term Debt		—	—	—
– Bank Term Loan (4 Installments totalling ₹ 15.44 Cr. due in FY 2017-18), (P.Y- 11.58 Cr)		1,544.00	1,158.00	—
– GoB Soft Loan (4 Installments totalling ₹ 3.30 Cr. due in FY 2017-18), (P.Y- 3.30 Cr)		330.00	330.00	—
– HPCL Bridge Loan (4 Installments totalling ₹ 33.60 Cr. due in FY 2017-18), (P.Y- Nil)		3,360.00	—	—
Payable To Employee		184.97	90.29	79.44
	Total	**10,602.70**	**7,635.63**	**6,224.16**
NOTE 22				
OTHER CURRENT LIABILITIES				
WCT Payable		1.95	0.73	3.08
TDS Payable		28.37	20.48	13.07
Sales Tax Payable		15.11	23.44	—
Excise Payable		352.02	821.61	442.08
Payable to Zone Development Council		33.18	24.49	23.08
PF Contribution Employee		24.06	10.48	9.18
Inter Office Balance		—	—	—
Payable To Govt (Others)		—	0.03	—
Misc Other Current Liablities		10.76	1.17	1.64
Deferred Lease Rental Premium Current		30.61	—	—
Advance From Customers		—	1,118.52	3,406.37
Deferred government grant		89.26	89.26	89.26
	Total	**585.32**	**2,110.21**	**3,987.76**
NOTE 23				
SHORT-TERM PROVISIONS				
Provision for Other Employee Benefits		1.98	1.74	0.58
	Total	**1.98**	**1.74**	**0.58**

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

(Amount in ₹ Lacs)

		Year Ended 31st March 2017	Year Ended 31st March 2016
NOTE 24			
REVENUE FROM OPERATIONS			
Gross Sales			
Sale of Products		38,123.38	15,982.31
Sale of Services		—	—
Other Operating Income		128.63	891.45
Recovery under Subsidy Schemes		—	—
	Total	**38,252.01**	**16,873.76**
NOTE 25			
OTHER INCOME			
Rent Recoveries		22.27	26.66
Interest (Gross) On Others		—	0.04
Miscellaneous Income		320.40	159.22
	Total (A+B)	**342.67**	**185.92**
NOTE 26			
COST OF MATERIALS CONSUMED			
Cane Purchase		16,591.34	12,242.67
Cane Transportation		271.36	265.18
ZDC Commission		33.18	24.50
Cane-Other Procurement Cost		135.28	95.52
	Total	**17,031.16**	**12,627.87**
NOTE 27			
POWER & FUELS			
Baggasse Cost, Fuels & Handling		96.92	53.61
Rice Husk & Firewood		246.54	160.75
Power Import		175.75	134.42
	Total	**519.21**	**348.78**
NOTE 28			
CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS & STOCK IN TRADE			
Inventories at the end of the period (as per books)			
Work in Progress		141.51	506.90
Finished Products		4,386.98	13,169.06
Bio Compost		81.39	41.91
Stock-In-Trade		—	0.42
	Total A	**4,609.88**	**13,718.29**
Inventories at the beginning of the period			
Work in Progress		506.90	769.65
Finished Products		13,215.35	10,173.47
Bio Compost		41.91	35.00
Stock-In-Trade		0.42	0.11
	Total B	**13,764.58**	**10,978.23**
	Total (B-A)	**9,154.70**	**(2,740.06)**

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

(Amount in ₹ Lacs)

	Year Ended 31st March 2017	Year Ended 31st March 2016
NOTE 29		
EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Bonus, etc.	1,330.11	1,052.08
Employees Allowances & Other Benefits	439.42	268.35
Employees Recruitment & Training	3.04	7.13
Contribution to Provident Fund	97.63	70.24
Pension, Gratuity etc.	19.21	18.19
Employee Welfare Expenses	2.15	—
Total	**1,891.56**	**1,415.99**
NOTE 30		
FINANCE COSTS		
Interest Expense on Instruments Carried at Amortised Cost		
– On Term loan	4,711.84	4,785.39
– On Non-cumulative Redeemable Preference Shares	1,301.48	1,165.15
– On Bridge Loan	234.00	37.10
Total	**6,247.32**	**5,987.64**
NOTE 31		
OTHER EXPENSES		
Ethanol Transportation	96.76	46.63
Repairs & Maintenance - Buildings	18.43	22.38
Repairs & Maintenance - Plant & Machinery	344.54	165.73
Repairs & Maintenance - Other Assets	50.60	11.84
Insurance	67.64	62.91
Rates & Taxes	15.98	7.76
Lease Premium on Land	150.45	150.45
Rent	11.02	5.24
Travelling & Conveyance	92.66	70.29
Contract Labour	68.80	41.24
Printing & Stationery	5.82	6.30
Electricity & Water	4.32	3.17
Cane Development Expense	(26.45)	11.28
Discount on Cogen	8.29	2.13
Other Supplies	1.76	0.14
Telephone & Fax	6.67	5.81
Postage & Telegram	2.23	1.83
Provision for Doubtful Debts (After Adjusting Provision no Longer Required)	28.72	—
Other Manufacturing Expenses	78.12	32.70
Security Charges	106.20	104.85
Advertisement & Publicity	9.50	0.90
Sundry Expenses & Charges (Not otherwise classified)	217.74	147.82
Consultancy & Technical Services	37.68	38.76
Auditor Expenses	—	—
– Statutory Audit Fees	1.50	1.50
– Other Services	—	—
– Other Expenses	0.36	0.27
Exchange Rate Variation (Net)	—	—
Total	**1,399.34**	**941.93**

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

(Amount in ₹ Lacs)

	Year Ended 31st March 2017	Year Ended 31st March 2016
NOTE 32		
PROVISION FOR GAIN/(LOSS) ON INVENTORY VARIATION (REFER NOTE NO. 56)		
Reversal of Last Year Provision on Inventory Variation	—	—
Provision for Gain/(Loss) Current Year	0.18	(89.58)
Total	**0.18**	**(89.58)**

33. DEFERRED TAX LIABILITY FOR THE YEAR ENDED MARCH 31, 2017

Sl. No.	Timing differences	Amount (₹ Lacs)	DTA @ 30.90%	DTL @ 30.90%
1	**Differences in Book & Tax Depreciation**			
	WDV as per books of accounts as at March 31, 2017	52,840.33		
	Less : WDV as per Income Tax Act as at March 31, 2017	26,768.66		
	Difference	26,071.67		8,056.15
	(If WDV as per IT is more than the WDV as per books then DTA is created, otherwise DTL)			
2	**Expenditures covered by section 43 B**			
	which are outstanding as on 31 March and not paid on or before the due date of filing of return			
	Employer's contribution to PF, superannuation fund, annuity fund or other fund for the welfare of the employees			
	Leave Encashment		—	
	Gratuity		—	
	Bonus			
	Debtors			
	Rent equalisation reserve			
	CENVAT			
	Customs Duty			
	Service Tax/ provision for contingencies			
	Any other tax, duty, cess or fee payable to government			
	Interest payable on loan or borrowing from a public financial institution or schedule bank			
3	Assets acquired for scientific research for which 100% deduction is given in the year of purchase but capitalised in the books			—
4	Expenditures disallowed for non deduction of tax at source (to be recognised if there is certainty that the company will deduct tax on the expenditure disallowed in the next year) Sec 40(a)(I) & (ia)			
5	Losses available for set off	66,536.87	20,559.89	
	Total as on March 31,2017		**20,559.89**	**8,056.15**
	Net Deferred tax asset as on March 31,2017		12,503.74	—
	Net Deferred tax asset as on March 31 of the previous year		7,617.09	
	Amount to be debited / credited to statement of profit and loss			**—**

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

34. Segment Reporting

Company deals in the manufacturing and sales of Sugar, Ethanol and generation of Power. Business segment has been taken as Primary Segment as three products are subject to different risks and rewards. There is no geographical segment as both the units operate in same location and business environment.

Sl. No.	Particulars	Year Ended March 31, 2017 ₹ in Lacs	Year Ended March 31, 2016 ₹ in Lacs
1	**Segment Revenue**		
	a) Sugar	36,246.98	16,927.75
	b) Ethanol	4,165.07	2,417.83
	c) Co-Gen	6,705.29	5,489.60
	d) Unallocated	266.09	259.26
	Total	**47,383.43**	**25,094.44**
	Less: Inter Segment	8,788.75	8,034.76
	Net Segment Revenue	**38,594.68**	**17,059.68**
2	**Segment Results**		
	a) Sugar	2,577.67	(13.15)
	b) Ethanol	1,038.31	111.19
	c) Co-Gen	656.23	63.25
	d) Unallocated	(820.32)	(3.43)
	Total	**3,451.89**	**157.86**
	Less: Interest	6,247.32	5,987.65
	Less: Other Unallocabale Exp.	272.78	308.57
	Total Profit Before Tax	**(3,068.21)**	**(6,138.36)**
3	**Segment Assets**		
	a) Sugar	32,282.35	38,004.80
	b) Ethanol	12,278.55	14,455.07
	c) Co-Gen	24,008.06	28,263.78
	d) Unallocated	1,892.91	2,228.45
	Total	**70,461.87**	**82,952.10**
4	**Segment Liability**		
	a) Sugar	30,504.75	34,821.49
	b) Ethanol	11,602.44	13,244.31
	c) Co-Gen	22,686.07	25,896.39
	d) Unallocated	1,788.68	2,041.79
	Total	**66,581.94**	**76,003.98**
5	**Capital Employed [Segment Assets-Segment Liability]**	**3,879.93**	**6,948.12**
6	**Capital Expenditure incl. Change in CWIP**		
	a) Sugar	—	—
	b) Ethanol	—	—
	c) Co-Gen	—	—
	d) Unallocated	—	—
	Total	**—**	**—**
7	**Depreciation**		
	a) Sugar	1,063.39	1,131.48
	b) Ethanol	432.23	506.10
	c) Co-Gen	936.31	1,066.73
	d) Unallocated	326.63	32.03
	Total	**2,758.56**	**2,736.34**

Other Disclosures:

2. Segments have been identified in line with the IND AS - 108 "Operating Segments" taking into account the organisation structure as well as differing risks and returns.
3. The Segment revenue, results, assets and liabilities include respective amounts identifiable to each of the segment and amounts allocated on reasonable basis.
4. The segment performance has been worked out after attributing the realisable value of inter segment transfer of material.
5. Segment assets and liabilities represents assets and liabilities in respective segment. Assets and liabilities that cannot be allocated to segment on reasonable basis have been disclosed as unallocable.
6. Previous year figures have been regrouped/reclassified wherever necessary.

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

35. Defined Benefit Plan

The present value of obligation in respect of gratuity is determined based on Actuarial Valuation using the Projected Unit Credit method.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

(₹ in Lacs)

Particulars	Gratuity (2016-17)	Gratuity (2015-16)
Present value of projected benefit obligation		
Present value of Benefit Obligation at the beginning of the period	56.00	41.90
Interest Cost	4.45	3.35
Current Service Cost	10.80	10.19
Benefit paid		
Actuarial (gains)/ losses on obligations - due to change in financial assumptions	3.21	0.48
Actuarial (gains)/ losses on obligations - due to experience	(7.48)	0.08
Present value of Benefit Obligation at the end of the period	**66.99**	**56.00**
Changes in fair value of plan assets		
Fair value of Plan Assets at the beginning of the period	—	—
Interest income	—	—
Contributions by the employer	—	—
Benefit paid	—	—
Return on plan assets, excluding interest income	—	—
Fair value of Plan Assets at the end of the period	—	—
Included in profit and loss account		
Current Service Cost	10.80	10.19
Net interest cost	4.45	3.35
Past Service Cost		
Total amount recognised in profit and loss account	**15.25**	**13.54**
Remeasurements		
Return on plan assets, excluding interest income	—	—
(Gain)/loss from change in demographic assumptions		
(Gain)/loss from change in financial assumptions	3.21	0.48
Experience (gains)/losses	(7.48)	0.08
Change in asset ceiling, excluding amounts included in interest expense	—	—
Total amount recognised in other comprehensive income	**(4.27)**	**0.56**

Amount recognised in the Balance Sheet (₹ in Lacs)

Particulars	Gratuity (31st March 2017)	Gratuity (31st March 2016)	Gratuity (1st April 2015)
Present value of benefit obligation as on 1 April 2015	66.99	56.00	41.90
Fair value of plan assets as on 1 April 2015	—	—	—
Net Liability / (Asset) recognised in the Balance Sheet	**66.99**	**56.00**	**41.90**

Plan Assets:

Particulars	Gratuity (2016-17)	Gratuity (2015-16)
Plan assets comprise the following		
Investment in PSU bonds	—	—
Investment in Government Securities	—	—
Bank Special Deposit	—	—
Insurance fund	—	—
Investment in other securities	—	—
Bank Savings Deposit	—	—
Significant estimates: Actuarial assumptions and sensitivity		

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

The significant actuarial assumptions were as follows: (₹ in Lacs)

Particulars	**Gratuity (2016-17)**	**Gratuity (2015-16)**
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.66%	7.95%
Rate of Salary Increase	7.00%	7.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.

Sensitivity analysis: (₹ in Lacs)

Particulars	**Gratuity (2016-17)**	**Gratuity (2015-16)**
Delta effect of +1% Change in Rate of Discounting	(10.24)	(8.64)
Delta effect of -1% Change in Rate of Discounting	12.81	10.85
Delta effect of +1% Change in Rate of Salary Increase	12.76	10.85
Delta effect of -1% Change in Rate of Salary Increase	(10.38)	(8.78)
Delta effect of +1% Change in Rate of Employee Turnover	0.91	1.14
Delta effect of -1% Change in Rate of Employee Turnover	(1.07)	(1.35)

The expected maturity analysis of undiscounted benefits is as follows: (₹ in Lacs)

Particulars	**Gratuity (2016-17)**	**Gratuity (2015-16)**
Less than a year	1.60	1.38
Between 1 - 2 year	1.69	1.49
Between 2 - 5 year	5.63	4.94
Over 5 years	11.64	10.19
Total	**20.56**	**18.00**

36. Fair value measurements

Accounting classification and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at 31st March, 2017 (₹ in Lacs)

	Carrying amount				**Fair Value**		
	FVTPL	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets							
Trade receivables			2,012.60	2,012.60			
Cash & Cash equivalents			10.41	10.41			
Short-term loans			29.31	29.31			
Other current financial assets			697.56	697.56			
Financial liabilities							
Bank term loan			29,628.11	29,628.11			
GOB soft loan			1,313.78	1,313.78			
Bridge loan from HPCL			8,091.97	8,091.97		8,060.53	
5% Non-cumulative redeemable preference shares			12,425.21	12,425.21		12,243.14	
Cash credit			2,197.59	2,197.59			
Trade payables			3,731.13	3,731.13			
Other current financial liabilities			10,602.70	10,602.70			

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

As at March 31, 2016 (₹ in Lacs)

	Carrying amount				Fair Value		
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
Financial assets							
Trade receivables			1,106.08	1,106.08			
Cash & Cash Equivalents			33.28	33.28			
Short-term loans			9.99	9.99			
Other current financial assets			1,143.04	1,143.04			
Financial liabilities							
Bank term loan			30,770.67	30,770.67			
GOB soft loan			1,641.48	1,641.48			
Bridge loan from HPCL			7,857.98	7,857.98		7,850.32	
5% Non-cumulative redeemable preference shares			11,123.74	11,123.74		11,995.35	
Cash credit			10,366.89	10,366.89			
Trade payables			4,231.80	4,231.80			
Other current financial liabilities			7,635.63	7,635.63			

As at 1st April, 2015 (₹ in Lacs)

	Carrying amount				Fair Value		
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3
Financial assets							
Trade receivables			16.29	16.29			
Cash & cash Equivalent			352.37	352.37			
Short-term loans			10.18	10.18			
Other current financial assets			999.12	999.12			
Financial liabilities							
Bank term loan			30,755.24	30,755.24			
GOB soft loan			—	—			
Bridge loan from HPCL			—	—			
5% Non-cumulative redeemable preference shares			9,958.58	9,958.58		9,958.58	
Cash credit			6,418.32	6,418.32			
Trade payables			9,967.97	9,967.97			
Other current financial liabilities			6,224.16	6,224.16			

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Valuation techniques used to determine Fair value

Instrument type	Valuation technique
5% Non-cumulative redeemable preference shares	Discounted Cash Flows: The valuation model considers the present value of expected payments using an appropriate discount rate.
Bridge loan from HPCL	Discounted Cash Flows: The valuation model considers the present value of expected payments using an appropriate discount rate

37. Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from bank balances and trade and other receivables which the Company minimizes such risk by dealing exclusively with high credit rating counterparties.

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

38. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

In the management of liquidity risk, the Company monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flow. The table below summaries the maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

As at 31st March 2017 (₹ in Lacs)

Particulars	1 year or less	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings and interest payable thereon	11,236.61	15,744.99	10,114.88	67,812.51	1,04,908.99
Trade payables	3,731.20				3,731.20
Other financial liabilities	10,655.26				10,655.26
Total undiscounted financial liabilities	**25,623.07**	**15,744.99**	**10,114.88**	**67,812.51**	**1,19,295.45**

As at 31st March 2016 (₹ in Lacs)

Particulars	1 year or less	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings and interest payable thereon	16,111.71	17,878.29	12,607.73	72,680.75	1,19,278.48
Trade payables	4,231.81				4,231.81
Other financial liabilities	7,603.66				7,603.66
Total undiscounted financial liabilities	**27,947.19**	**17,878.29**	**12,607.73**	**72,680.75**	**1,31,113.96**

As at 1st April, 2015 (₹ in Lacs)

Particulars	1 year or less	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings and interest payable thereon	10,031.28	9,690.82	10,030.02	78,455.99	1,08,208.12
Trade payables	9,967.96	—	—	—	9967.96
Other financial liabilities	6,224.15	—	—	—	6,224.15
Total undiscounted financial liabilities	**26,233.40**	**9,690.82**	**10,030.02**	**78,455.99**	**1,24,400.23**

39. Interest rate risk

The Company has a mix of fixed rate and floating rate borrowings to meet its cash flow requirements.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow interest rate risk. The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

- **Exposure to interest rate risk**

  The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(₹ in Lacs)

Particulars	Carrying amount		
	31-Mar-17	**31-Mar-16**	**31-Mar-15**
Variable rate borrowings	41,231.51	50,637.02	37,173.56
Fixed rate borrowings	12,425.21	11,123.73	9,958.58
Total borrowings	53,656.73	**61,760.76**	**47,132.14**

- **Cash flow sensitivity analysis for variable-rate instruments**

  A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

(₹ in Lacs)

	Profit or loss		Equity, net of tax	
Particulars	**100 bp increase**	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
31st March 2017	(427.12)	427.12	—	—
31st March 2016	(433.42)	433.42	—	—
1st April 2015	—	—	—	—

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

40. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Company does not have any externally imposed capital requirements for the financial period ended 31st March 2017, 31st March 2016, and 1st April 2015.

41. Lease Hold Land

Leasehold Land is being amortized over a period of 60 years on SLM. ₹150.45 Lacs has been amortised for the year 2016-17 (P.Y.- ₹ 150.45 Lacs) is being charged to Statement of Profit & Loss. The details of leasehold land (location wise) is as follows-

Unit wise Leasehold Land	Lauriya Unit	Sugauli Unit	Total
Farm Area (Acres)	138.79	199.45	338.24
Plant Area (Acres)	56.65	89.92	146.57
Total Leasehold Land (Acres)	195.44	289.37	484.81
Total Lease Premium (₹ in Lacs)	4,500.00	5,000.00	9,500.00
Acquisition Cost ₹in Lacs (Net of Scrap Sale)	4,084.44	4,942.37	9,026.81

Out of the 484.81 acres of land taken on lease from Govt of Bihar, an area of 36.47 acre of land is in adverse possession and hence could not be occupied by the company. This matter has strongly been represented by HBL with the Govt of Bihar - Cane Department and we have been assured of necessary relief by the Govt of Bihar on the same.

42. Sub-Lease of Land to HPCL

During the year, possession of Leasehold land measuring 29.34 acres was transferred to Hindustan Petroleum Corporation Ltd. on 31st March 2017 for a consideration of ₹1,594.07 Lacs on same terms and conditions as applicable to HBL for the remaining period of lease. The amount received will be recognized as income over the period of Lease. Lease Rental Premium amount so received has been shown as Deferred Lease Rental Premium and classified under Other Current Liabilities (Note no. 22) and Other Non-Current Liabilities (Note no. 18) respectively.

43. Plant Capacity

Sl. No.	Plant Name	Capacity (Sugauli)	Capacity (Lauirya)
1	Sugar Plant	3500 TCD	3500 TCD
2	Ethanol Plant	60 KLPD	60 KLPD
3	Cogen Plant	20MW	20MW

44. Excise Claim with GOB

Claim has been lodged with Government of Bihar for reimbursement of excise duty on sugar sales. Considering the significant uncertainty over its realization, it would be accounted on receipt of the amount from GoB.

45. Consumption of Raw Materials

Consumption of bagasse generated from production is valued at 'nil' rate.

46. SLDC

SLDC charges or charges towards State Load Despatch Centre have been mentioned in the PPA with BSEB but SLDC in Bihar is yet to be established. Hence there has been no demand for SLDC charges and no provision has been made in this regard.

47. Cane Development Expenditure

Cane development expenditure is net of sale of seeds and fertilizers to the farmers of cane command area and own farm production of Sugauli & Lauriya Unit.

48. Renewable Energy Certificates

RECs earned for the captive consumption of power generated from renewable sources are not valued as stock on hand on the Balance Sheet dates, since the cost of obtaining them is very negligible and their realization is not certain. The income from the sale of RECs is accounted as revenue in the year of sales. The RECs on hand on 31st March 2017 was 22,053 units (P.Y. 18,666 units) and their value at the floor price of ₹1,000/- (P.Y. 15-16 – ₹ 1,500) stood at ₹ 220.53 Lacs (P.Y. ₹ 279.99 Lacs).

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

49. Micro, Small & Medium Creditors

The company has no sundry creditors falling under the Micro, Small &Medium Enterprises Development Act 2006.

50. CENVAT / Input Tax Credit:

The CENVAT credit available for set-off against liability for excise duty has been shown separately from provisions made for excise duty against inventory and have not been netted off against each other. The unadjusted CENVAT / ITC credit is shown under the head Other Current Assets to the extent of expected clearance in the next 12 months and the balance is shown under the head Other Non-Current Assets. Provision for excise duty on closing stock is shown under the head Other Current Liability.

CENVAT credit utilized during the year on sale of ethanol and sugar is ₹ 1,033.21 Lacs (P.Y. ₹ 570.73 Lacs) and Input Tax Credit utilized on sale of ethanol is Nil (P.Y. - Nil).

51. Secured Loan

Soft loan of ₹1, 014 Lacs (which was availed through SBI during 2015-16 through SBI with interest subvention to the extent of 10%, as announced by Government of India) has been fully settled during the F.Y.16-17.

GoB Soft Loan of ₹1,648 Lacs availed through SBI during F.Y. 15-16 with interest subvention to the extent of 10%. Four Installments amounting to ₹ 330 Lacs was paid during F.Y. 2016-17 (P.Y. - Nil). The Balance of GoB Soft Loan as on 31.03.2017 was ₹1,313.78 Lacs (₹ 1,641.48 Lacs as on 31.03.2016).

Term Loan of ₹30,880 Lacs was availed through SBI during F.Y. 2014-15. Three installments amounting to ₹1,158 Lacs was paid during the current F.Y. 2016-17 (P.Y. 15-16 – Nil). The Balance of Term loan as on 31.03.2017 was ₹ 29,628.11 Lacs (₹30,770.67 Lacs as on 31.03.2016).

The term loan as well as the soft loans under GOI and GOB schemes are secured by equitable mortgage of Land, Building & Fixed Assets.

Working capital loan is from State Bank of India with interest @ one year MCLR + 1.25% fixed spread, and the limit is ₹10,000 Lacs. The working capital loan is secured by hypothecation of Stocks & Debtors of the company. The Working Capital Loan balance as on 31.03.2017 was ₹2,197.59 Lacs (₹ 9,378.72 Lacs as on 31.03.2016).

52. Unsecured loan

An unsecured bridge loan of ₹8,400 Lacs which was obtained from the holding company during P.Y. 2015-16 to meet the requirements of payment to cane growers and other working capital requirements, which carries interest at the average borrowing cost of the holding company and is repayable in 10 quarterly installments starting from 30th June 2017.

53. Provision for Gratuity & Leave Encashment

Provision for gratuity of ₹ 66.99 Lacs (P.Y. 2015-16 - ₹ 56 Lacs) has been made towards retirement benefits for employees during the year based on Actuarial Valuation as of 31.3.2017. Provision for Leave Encashment of ₹ 15.32 Lacs (P.Y.– ₹ 13.99 Lacs) has been made based on Actuarial Valuation as of 31.03.2017.

Above does not include the provision for employees posted on deputation from HPCL.

Pay, Allowances, perquisites and other benefits of the Employees on deputation from HPCL is governed by their service conditions with Holding Company (HPCL).

54. Income Tax

As company has incurred losses during the current financial year, hence no provision for income tax has been made.

Deferred tax asset on carry forward of losses has not been recognized on account of lack of certainty of sufficient future taxable profits against which such losses can be utilized (Refer Note No.33).

55. Revenue from sale of power

Revenue from sale of power is accounted for based on tariff rates approved by BSERC (Bihar State Electricity Regulatory Commission). Revenue from Sale of Power is recognised once the electricity has been delivered to the customer and is measured through meters.

Surcharge on late payment for the sale of power is recognised on receipt/ acceptance basis.

56. Provision for inventory variation

The company is conducting regular physical verification of inventory. The cumulative inventory variation provision is ₹ 98.88 Lacs (P.Y. 99.06 Lacs) the said variation shall be dealt properly after obtaining appropriate approvals.

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

57. Arbitration Award received during the year

In case of an EPCC vendor, ₹ 1,514.16 Lacs was recovered through encashment of two Bank Guarantees, against which the contractor invoked arbitration clause and the arbitrator was appointed. As per the arbitration award, ₹ 1534.84 Lacs is payable to the contractor as detailed hereunder:

Amount (₹ in Lacs)

Payable to Vendor	**Sugauli**	**Lauriya**	**Total**
Against LD for delay	161.47	155.70	**317.17**
Against PG Test failure	513.37	521.06	**1,034.43**
Outstanding Bills	277.09	321.07	**598.16**
Total (A)	951.93	997.83	**1,949.76**
Payable to HBL	0.00	0.00	**0.00**
Modification in Juice & molasses storage	100.00	100.00	**200.00**
Replacement of vacuum filter	57.40	57.00	**114.40**
For PCC work Bio compost	0.26	0.26	**0.52**
Repair of CPU	100.00	—	**100.00**
Total (B)	257.66	157.26	**414.92**
Net Payable to Vendor (A-B)	**694.26**	**840.57**	**1,534.84**

After due approval of the Board w.r.t. the award amount of ₹ 1534.84 Lacs, one installment of ₹ 383.71 Lacs has been paid to the vendor in the month of January 2017. Balance amount payable ₹ 1,151.13 Lacs (Three installments at the rate of ₹ 383.71 Lacs each) is in the books of account as on 31.03.17 to be paid in the due course (Refer Note No. 21 – Other Current Financial Liabilities).

58. Liquidated Damages

Liquidated Damages recovered from some vendors have not been taken to income which shall be dealt with properly after resolution from the appropriate forums.

59. Remaining Contracts/Contingent Liabilities & Management Remuneration etc.

Amount (₹ in Lacs)

Sr. No.	**Description**	**2016-17**	**2015-16**
A.	Estimated amount of contracts remaining to be executed on capital account not provided for.	1.69	37.17
B.	**Claims against the company not acknowledged as debts**		
	Wrong disallowance of Input Tax Credit claimed on capital goods for 2010-11. Appeal lying before Sales Tax Tribunal, Bihar	698.44	698.44
	Erroneous demand for 2010-11 of Entry Tax based on proportional amounts, ignoring the actual tax paid. (₹ 10.22 Lacs paid as advance tax under protest during the year)	68.12	68.12
	Erroneous demand of Excise Duty for the period March 2013 to March 2015 by wrong application of Rule 6 of CENVAT Credit Rules, 2004.	2.32	—
	Erroneous demand for 2012-13 on account of denial of Input Tax Credit	93.81	—
	Erroneous demand for 2013-14 on account of denial of Input Tax Credit	71.65	—
	Erroneous demand for 2014-15 on account of denial of Input Tax Credit	38.76	—
	Erroneous demand for 2013-14 on account of differential tax due to non-submission of C form at the time of order	93.18	—
	Erroneous demand for 2014-15 on account of differential tax due to non-submission of C form at the time of order	315.52	—
	Erroneous demand for 2013-14 on account of suppression of purchase turnover ignoring the actual facts	92.09	—
C.	**Other Contingent Liabilities**		
	Bank Guarantee given to the Bihar State Pollution Control Board as Security Deposit	20.00	Nil
	Corporate Guarantee given to the State Bank of India for Agriculture financing arrangement with farmers	Nil	200.00
	ISGEC Heavy Engineering Ltd claims against the three EPCC contracts pending arbitration as per the provisions of the contract. (During the year mutual settlement arrived at with the party and the amount is appearing as a firm liability under Other Current Financial Liability in Note no. 21)	Nil	5427.62

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

Amount (₹ in Lacs)

Sr. No.	Description	2016-17	2015-16
D.	**Managerial Remuneration**		
	Salary & Allowances		
	(Chief Executive Officer on deputation from HPCL. The amount represents remuneration from HPCL and debited to the company. The salary includes salary, company contribution to PF, LFA, Bonus, medical, gratuity & leave encashment)	36.63	40.43
E.	Expenditure in Foreign Currency	Nil	Nil
F.	Earning in Foreign Currency	Nil	Nil
G.	C I F Value of imports during the year	Nil	Nil

60. Related Party

Nature of relationship	Name of related parties
Promoters	Hindustan Petroleum Corporation Ltd
Key Management personnel	Shri D.K Saxena (CEO)
Relative of Key Management personnel	Nil

61. Details of transaction between the company and related party (HPCL)

Amount (₹ in Lacs)

Nature of Transaction	2016-17	2015-16
Advance Taken against supplies of Ethanol	—	—
Balance advance as on 31st March	—	1,112.89
Interest Paid during the year to HPCL on Ethanol Advance	24.14	264.77
Sale of Ethanol to HPCL (Excl. In-Transit sales on 31.03.17 for ₹ 94,78,765, P.Y. Nil)	4,412.06	2460.93
Purchase of Lubes from HPCL	15.48	30.97
Purchase of Sulphur from HPCL	21.98	18.03
Other Expenditure incurred by HPCL on behalf of HBL		
Bridge Loan Taken from HPCL	—	8400.00
Interest paid to HPCL on Bridge Loan	689.19	119.29
Manpower cost of employees on deputation and establishment expenses including Service Tax	132.78	150.07
One Time Lease premium received for land at Sugauli transferred to HPCL	1,594.07	Nil

62. Payment to Auditors

Expenses incurred towards statutory auditor's remuneration during the year are as under:

Amount (₹ in Lacs)

Particulars	2016-17	2015-16
For Statutory Audit	1.50	1.50
For Taxation matters	—	—
For Company law matters	—	—
For management services	—	—
For other services	—	—
For expenses	0.36	0.27
Total	**1.86**	**1.77**

63. Independent Directors

In terms of the provisions of the Companies Act, 2013 the number of Independent Directors in the Board is required to be two (including a woman director) but at present there are no independent directors on the Board. The Company has approached the administrative ministry for appointment of requisite number of Directors for compliance of the provisions of the Companies Act, 2013 and the same is awaited. Pending such appointment, the financial results have been reviewed and recommended to the Board by the Audit Committee consisting of no Independent Director.

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

64. Foreign Exchange Information

Amount (₹ in Lacs)

Sl. No.	Particulars	2016-17	2015-16
a	Value of imports calculated on CIF basis by the company during the financial year in respect of		
	I. Raw Materials	Nil	Nil
	II. Components and Spare Parts	Nil	Nil
	III. Capital Good	Nil	Nil
b	Expenditure in foreign currency during the financial year on account of royalty, know how, professional and consultation fees, interest, and other matters	Nil	Nil
c	Total value of all imported raw materials, spare parts and components consumed during the financial year and the total value of indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption		
	Raw Materials		
	Imported in %	Nil	Nil
	Imported in Value	Nil	Nil
	Indigenous in %	100%	100%
	Indigenous in Value	17,031.16	12,627.87
	Spare Parts and components		
	Imported in %	Nil	Nil
	Imported in Value	Nil	Nil
	Indigenous in %	100%	100%
	Indigenous in Value	501.30	268.61
d	The amount remitted during the year in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related		
e	Earnings in foreign exchange classified under the following heads, namely		
	Export of goods calculated on FOB basis	Nil	Nil
	Royalty, know how, professional and consultation fees	Nil	Nil
	Interest and dividend	Nil	Nil
	Other income indicating the nature thereof	Nil	Nil

65. Specified Bank Notes

Amount (₹ in Lacs)

Particulars	SBN	Other Denomination Notes	Total
Closing cash in hand as on 08.11. 2016	—	0.02	0.02
(+) Permitted receipts	—	—	—
(-) Permitted payments	—	—	—
(-) Amount deposited in Banks	—	—	—
Closing cash in hand as on 30.12.2016 (₹ 2,231/-)	—	0.02	0.02

66. Pay, Allowances, perquisites and other benefits of the Employees on deputation from HPCL is governed by their service conditions with Holding Company (HPCL). HPCL has made suitable provision for all its employees in their books towards salary revision (on account of 3rd pay revision for CPSE) for the period from 01/01/2017 to 31/03/2017.

67. Advances to the Suppliers/Contractors, Other receivables, Trade/ Other payables are subject to confirmation/reconciliation. Adjustments required, if any, will be accounted for on confirmation/ reconciliation of the same, which in the opinion of management will not have a material impact.

68. In the opinion of management, the value of the assets, other than fixed assets, on realization in the ordinary course of business, will not be less than the value at which they are stated in the Balance Sheet.

Notes Forming Part of the Financial Statements for the year 2016-2017 (Contd.)

69. Previous year figures

Previous year figures have been rearranged / regrouped where ever necessary. The Company's presentation and functional currency is INR Lacs.

70. Presentation of Negative Amounts

Unless otherwise stated or the context requires it to be interpreted otherwise, figures in bracket in the financial statements represent negative amounts.

As per our report of even date attached
For **Jaiswal Brajesh & Co.**
Chartered Accountants

C. A. Nirmal Kumar Sah
Partner
Membership No. 015500
Firm's ICAI Reg. No. 007915C

P. K. Joshi
Chairman

J. Ramaswamy
Director

Place : Mumbai
Date : 08/05/2017

Piyush Awasthi
Chief Finance Officer

D. K. Saxena
CEO & Manager

Heena Shah
Company Secretary

Cash Flow Statement For The Year Ended 31st March, 2017

Amount in ₹ Lacs

		2016 - 17	2015 - 16
A. Cash Flow From Operating Activities			
Net Profit/(Loss) Before Tax		**(3,068.17)**	**(6,138.34)**
Adjustments to Reconcile Profit Before tax to net cash used in operating activities:			
Depreciation and impairment of property, plant and equipment		2,758.56	2,736.33
Amortisation of Capital Grant		(89.26)	(89.26)
Amortisation of Lease Premium		150.45	150.45
Finance Costs		1,553.21	1,211.36
Sub-Total		4,372.96	4,008.88
Operating Profit before Changes in Assets & Liabilities	**(i)**	**1,304.79**	**(2,129.46)**
(Increase) / Decrease in Assets and Liabilities :			
Trade Receivables		(906.52)	(1,089.79)
Loans and Advances and Other Assets		918.16	213.80
Inventories		9,056.19	(2,599.15)
Liabilities and Other Payables		941.75	(6,201.07)
Sub Total -	**(ii)**	**10,009.58**	**(9,676.21)**
Cash Generated from Operations	**(i) + (ii)**	**11,314.37**	**(11,805.67)**
Less : Direct Taxes / refund / (paid) - Net		—	—
Net Cash from Operating Activities	**(A)**	**11,314.37**	**(11,805.67)**
B. Cash Flow From Investing Activities			
Purchase of Property, Plant & Equipment (incl. Capital Work in Progress)		(196.79)	(956.72)
Sale of Property, Plant & Equipment		1,563.47	—
Other Non- Current Assets		687.30	(77.66)
Net Cash Flow generated from / (used in) Investing Activities	**(B)**	**2,053.98**	**(1,034.38)**
C. Cash Flow From Financing Activities			
Long term Provisions		12.07	12.59
Long term Loans raised/(repaid)		(5,234.00)	8,559.81
Short term Loans raised / (repaid)		(8,169.29)	3,948.56
Net Cash Flow generated from / (used in) Financing Activities	**(C)**	**(13,391.22)**	**12,520.96**
Net Increase / (Decrease) in Cash and Cash Equivalents	**(A + B + C)**	**(22.87)**	**(319.09)**
Cash and cash equivalents at the beginning of the year		**33.28**	**352.37**
Cash and cash equivalents at the end of the year		**10.41**	**33.28**
Details of cash and cash equivalents at the end of the year:			
Cash and cash equivalents as on		**31-Mar-17**	**31-Mar-16**
Balances with Banks:			
– on current accounts		10.39	33.26
– on non-operative current accounts		—	—
Cash on hand		0.02	0.02
Less : Cash Credits		—	—
Cash and cash equivalents at the end of the year		**10.41**	**33.28**

As per our report of even date attached
For **Jaiswal Brajesh & Co.**
Chartered Accountants

C. A. Nirmal Kumar Sah
Partner
Membership No. 015500
Firm's ICAI Reg.No. 007915C

P. K. Joshi
Chairman

J. Ramaswamy
Director

Place : Mumbai
Date : 08/05/2017

Piyush Awasthi
Chief Finance Officer

D. K. Saxena
CEO & Manager

Heena Shah
Company Secretary

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PHILOSOPHY

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Your Company is committed to good governance practices that create long term sustainable stakeholders' value in line with its parent Company Hindustan Petroleum Corporation Limited (HPCL). The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with its promoters, employees, the Government and the lenders. The Company believes in adopting the 'best practice' that are followed in the area of corporate governance across various business operations.

SHAREHOLDING

HPCL Biofuels Limited is wholly owned subsidiary company of Hindustan Petroleum Corporation Limited.

BOARD OF DIRECTORS

The Board of Directors ('the Board') is at the core of our Corporate Governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active and well-informed Board is necessary to ensure the highest standards of corporate governance.

INFORMATION TO BOARD

The major decisions related to the operations of the Company, its business plans, financial affairs and results, indebtness issues, legal and corporate governance issues, growth strategies, restructuring plans, senior appointments etc. are placed before the Board and Board is authorized to approve them, take decision in this regard.

COMPOSITION OF BOARD OF DIRECTORS

The Board of HPCL Biofuels Limited is presently consisting of three Directors as under:

Mr. Pushp Kumar Joshi - Chairman

Mr. J Ramaswamy – Director

Mr. A Pande – Additional Director effective 01.11.2016

Mr. B K Namdeo – Director till 31.10.2016

All Directors on the Board of the Company are non-executive Directors and are nominee of the holding Company HPCL. Brief resumes of all Directors are furnished hereunder:

MR. P K JOSHI - CHAIRMAN

Mr. Pushp Kumar Joshi is a Bachelor of Law and an alumnus of XLRI, Jamshedpur. He joined HPCL in 1986 and since then he has held various key positions in Human Resources and Industrial Relations functions at HQO, Marketing and Refineries Divisions of HPCL. He has been responsible for the design and deployment of key HR policies and practices that are employee oriented and aim at building high performance culture. He is currently Director Human Resources of HPCL since August, 2012. Mr. Joshi took charge as Director of the company effective 1st July, 2013 and he was appointed as Chairman effective 14.11.2014.

MR. B K NAMDEO- DIRECTOR up to 31st October, 2016

Mr. B. K Namdeo is Director Refineries of HPCL. A Mechanical Engineer and a Master of Technology from IIT Bombay, he has over 32 years of experience in various refinery functions and has held key positions in Central Engineering (Refinery Projects), Operations, Projects and Maintenance of the Refineries. He joined the Board as Director effective 24.02.2014.

MR. J RAMASWAMY –DIRECTOR

Mr. J Ramaswamy is a Director Finance of HPCL. He is a member of the Institute of Chartered Accountants of India (ICAI), he brings with him rich experience of over three decades in handling various challenging assignments in HPCL in the field of Corporate Finance, Marketing Finance, SBU Commercial, C&MD's Office, Internal Audit, Vigilance, System & Procedures, and Refinery Finance.

Mr. J Ramaswamy has expertise in Financial Management, and is known for strengthening financial discipline, cost consciousness and commercial acumen in the Corporation, which is of immense benefit to the organization. He is also credited with effective treasury management in raising External Commercial Borrowing, Debentures and various other types of financial instruments at a very competitive interest rate as compared with the Industry.

He has various academic distinctions to his credit, and is a key technical speaker in in-house capability building seminars and workshops. He took charge as Additional Director in HPCL Biofuels Ltd. effective 1st October 2015.

Mr. ANIL PANDE – DIRECTOR (Effective 1st November, 2016)

Mr. Anil Pande is a Executive Director - Operations Distribution & Engineering in Hindustan Petroleum Corporation Limited (HPCL). He is a Civil Engineer with Honours from Punjab Engineering College, Chandigarh, he brings with him rich experience of over three decades in handling varied challenging assignments in HPCL viz; project experience in oil and gas industry ranging from laying of cross country Pipelines and oil storage Infrastructure Project execution, operating the pipelines and marketing of petroleum products.

REMUNERATION TO DIRECTORS

Directors are part-time Directors and hence no remuneration or sitting fees is paid to any Directors for attending the Board meeting

INDEPENDENT DIRECTORS & A WOMEN DIRECTOR

Under the Companies Act 2013, there is a requirement for Independent Directors including a Women Director on the Board of the company. As the company is a wholly owned subsidiary of HPCL, the issue was taken up with them for appointment of Independent Directors. They have taken up with the Government of India for the appointments but as on date, these appointments have not been made. However, as per Ministry of Corporate Affairs notification dated 6th July, 2017, [Ref. no. G.S.R. 839(E)], Wholly Owned Subsidiary of unlisted public company are exempted from appointment of Independent Directors.

CHIEF EXECUTIVE OFFICER

Day-to-day affairs of the Company are managed by Manager as per section 2(53) of the Companies Act, 2013 to be designated as Chief Executive Officer (CEO). Mr. D K Saxena is CEO of the Company 3rd May, 2016.

DETAILS OF BOARD MEETINGS

During the financial year 2016-2017, Nine (09) meetings of the Board of Directors took place, details of the same are as given under; The Company has held at least one meeting in every quarter and the time gap between two board meetings did not exceed 120 days as prescribed under the Companies Act. The details of the Board Meeting as follows:

Meeting No.	Date of Meeting	Place of meeting	Total Strength of the Board	Directors Present	Duration between this and next meeting (days)
52	03-05-2016	Mumbai	3	3	
53	10-06-2016	Mumbai	3	3	38
54	12-07-2016	Mumbai	3	2	32
55	02-08-2016	Mumbai	3	2	21
56	17-09-2016	Patna	3	2	46
57	30-09-2016	Mumbai	3	2	12
58	22-11-2016	Mumbai	3	2	53
59	07-03-2017	Mumbai	3	3	105
60	24-03-2017	Mumbai	3	2	17

The overall attendance of Directors at the board meetings was 78%.

CONDUCT OF BOARD PROCEEDINGS

The day-to-day business is conducted by the CEO of the Company under the direction and the supervision of the Board. The Board holds periodic meetings to discuss the performance of the Company, provide directives, review the operations and other issues relating to the Company.

BOARD COMMITTEES

Keeping in view the better Governance and focused discussion, the Board has constituted various committees with specific terms of the reference and scope. The details of the committees constituted by the Board are given below:

The Board of the Company has the following Committees:

Audit Committee

Nomination & Remuneration Committee

Audit Committee Composition & Meetings

Audit Committee consists of three members, namely;

Mr. Pushp Kumar Joshi - Chairman

Mr. J Ramaswamy – Member

and

Mr. B K Namdeo – Member continue up to 31st October, 2016 and thereafter Mr. A Pande was appointed in his place as Member effective 1st November, 2016

There were five audit committee meetings were held during the financial year as under; overall attendance of Directors at the Audit Committee Meetings was 87%.

Meeting No.	Date of Audit Committee	Total Strength	Members Present	Place of meeting
23	03-05-2016	3	3	Mumbai
24	10-06-2016	3	3	Mumbai
25	02-08-2016	3	2	Mumbai
26	17-09-2016	3	2	Patna
27	07-03-2017	3	3	Mumbai

Nomination & Remuneration Committee (NRC) – constitution of NRC is same as audit committee and there only one meeting held on 3rd May, 2016 during the financial year 2016-17.

COMPLIANCE

The Company monitors the compliance of applicable laws, regulations and rules including the Companies Act and all applicable corporate laws and places confirmation of such compliance before the Board at regular interval.

DETAILS OF ANNUAL GENERAL MEETINGS

Meeting No.	Meeting Date	Location
1	10th December, 2010	Patna
2	16th September, 2011	Patna
3	15th December, 2012	Patna
4	3rd December, 2013	Patna
5	19th August, 2014	Patna
6	21st September, 2015	Patna
7	17th September, 2016	Patna

For and on behalf of Board of Directors

Place: Mumbai
Date : 01.09.2017

P K Joshi
Chairman

HPCL Biofuels Limited

(CIN: U24290BR2009GOI014927)

Registered Office: No. 271, Road No. 3E, Post Box No. 126 (Patna GPO),
New Patliputra Colony, Patna - 800 013, Bihar. Email:info@hpclbiofuels.co.in
Website – www.hpclbiofuels.co.in, phone – 0612-2260185

NOTICE

Notice is hereby given that the EIGHTH ANNUAL GENERAL MEETING OF the members of HPCL BIOFUELS LIMITED will be held at its registered office No. 271, Road No. 3E, Post Box No. 126 (Patna GPO), New Patliputra Colony, Patna - 800 013, Bihar on Wednesday, 20th September, 2017 at 2.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended 31st March, 2017 and the Reports of the Board of Directors and Auditors thereon and in this regards, pass the following resolutions as Ordinary Resolution:

"RESOLVED THAT the audited financial statement of the Company for the year ended 31st March, 2017 and the Reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To appoint Director in place of Mr. J. Ramaswamy (DIN: 00627920), who retires by rotation and being eligible offers himself for re-appointment as a Director and in this regard, pass the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. J. Ramaswamy (DIN: 00627920), who retires by rotation at this meeting and being eligible has offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

3. To ratify the remuneration of Cost Auditor for the financial year ending on 31st March, 2018 and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration as approved by the Board of Directors be payable to M/s. R. Nanabhoy & Co., Cost Accountants (Firm Registration No. 7464), who was appointed by the Board of Directors of your Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on 31st March, 2018, amounting to Rs. 62,000 (Rupees Sixty-Two Thousand only) as also the payment of applicable taxes and re-imbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified."

4. APPOINTMENT OF MR. ANIL PANDE (DIN: 07259801) AS DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Anil Pande (DIN: 07259801), who was appointed as an Additional Director with effect from 1st November, 2016 in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company whose period of office will be liable to determination by retirement of directors by rotation.

RESOLVED FURTHER THAT Company Secretary be and are hereby authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

By Order of the Board
For HPCL Biofuels Ltd.

Heena Shah
Company Secretary

Dated: 15th September, 2017

Registered Office:
No. 271, Road No. 3E
Post Box No. 126 (Patna GPO)
New Patliputra Colony
Patna - 800 013, Bihar.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM") IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND, ON A POLL, TO VOTE ON HIS/HER BEHALF AND A PROXY NEED NOT BE A MEMBER.
2. Proxies in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.
3. In terms of Section 105 of the Companies Act, 2013 read with Rule 19 of the Companies (Management and Administration) Rules, 2014 a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.

4. Corporate Members intending to send their authorized representative(s) to attend the Annual General Meeting are requested to forward a certified copy of Board Resolution authorizing their representative to attend and vote at the Annual General Meeting either to the Company in advance or submit the same at the venue of the General Meeting.
5. The relevant Statement made pursuant to Section 102 (1) of the Companies Act, 2013 in respect of Special Business to be transacted at the Annual General Meeting, set out in the Notice, is annexed hereto and forms part of the Notice.
6. Route Map showing directions to reach to the Venue of AGM is attached.
7. Members are requested to promptly notify any change in their postal address/ E-mail address to the Registered Office of the Company.
8. At the ensuing Annual General Meeting, Shri J. Ramaswamy retire by rotation and being eligible, offer himself for re-appointment.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, in respect of item no. 3 & 4 of the NOTICE is enclosed and forms part of this notice.

Item No. 3

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the company for the financial year ending March 31, 2018 for a remuneration of ₹ 62,000/- (Rupees Sixty Two Thousand only).

In accordance with provisions of section 148 of the Companies Act, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors has to be approved by the members of the company.

Relevant documents in respect of the said item are open for inspection at the Registered Office of the Company on all working days during 2.30 p.m. to 4.00 p.m. up to the date of meeting.

Accordingly, the consent of the members is sought for passing the ordinary resolution as set out at item no. 3 of the notice for approval of the remuneration payable to cost auditors for the financial year ending on March 31, 2018.

None of the Directors/KMP of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 3 of the Notice.

The Board recommends the ordinary resolution set out at in item no. 3 of the notice for approval of members.

Item No. 4

Mr. Anil Pande was appointed as an Additional Director w.e.f. 1st November, 2016 in accordance with the provisions of Section 161 of the Companies Act, 2013.

Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing Mr. Anil Pande's candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that presence of Mr. Anil Pande on the Board is desirable and would be beneficial to the company and hence recommend resolution no. 4 for adoption.

Relevant documents in respect of the said item are open for inspection at the Registered Office of the Company on all working days during 2.30 p.m. to 4.00 p.m. up to the date of meeting.

Mr. Anil Pande (aged 58 years) is an Executive Director - Operations Distribution & Engineering in Hindustan Petroleum Corporation Limited. He is a Civil Engineer with Honours from Punjab Engg. College, Chandigarh, he brings with him rich experience of over three decades in handling varied challenging assignments in HPCL viz; project experience in oil and gas industry ranging from laying of cross country Pipelines and oil storage Infrastructure Project execution, operating the pipelines and marketing of petroleum products.

Mr. Anil Pande took charge as Additional Director in HPCL Biofuels Ltd. effective 1st November 2016 and is a nominee of HPCL to be appointed as non-executive Director on the Board and do not draw any remuneration. Mr. Anil Pande, prior to his appointment as Director, was not holding any shares in the Company. His tenure on the board will be as per further directives from holding company HPCL.

None of the Directors, except Mr. Anil Pande and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends resolutions under Item No. 4 of the Notice to be passed as an ordinary resolution for approval by members.

By Order of the Board of Directors,
For HPCL Biofuels Ltd.

Heena Shah
Company Secretary

Dated: 15th September, 2017

Registered Office:
No. 271, Road No. 3E
Post Box No. 126 (Patna GPO)
New Patliputra Colony
Patna - 800 013, Bihar.

HPCL BIOFUELS LIMITED

(CIN: U24290BR2009GOI014927)

Registered Office: No. 271, Road No. 3E, Post Box No. 126 (Patna GPO),
New Patliputra Colony, Patna - 800 013, Bihar. Email: infohpclbiofuels.co.in
Website – www.hpclbiofuels.co.in, phone – 0612-2260185

FORM NO. MGT – 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

8th ANNUAL GENERAL MEETING - Wednesday, 20th September, 2017 at 2.00 p.m.

Name of the Member(s) :	
Registered Address :	
E-mail ID :	
Folio No. :	

I/We, being the member(s) of ____________ shares of the above named Company, hereby appoint:

1. Name: ____________
   of E-mail ID ____________
   Address: ____________
   Signature: ____________, or failing him / her
2. Name: ____________
   of E-mail ID ____________
   Address: ____________
   Signature: ____________, or failing him / her
3. Name: ____________
   of E-mail ID ____________
   Address: ____________
   Signature: ____________, or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 8th Annual General Meeting of the Company, to be held on Wednesday, 20th September, 2017 at 2.00 p.m. at Registered Office No. 271, Road No. 3E, Post Box No. 126 (Patna GPO), New Patliputra Colony, Patna - 800 013, Bihar.

Resolution No.	Resolutions	Optional*	
		For	Against
1.	Adoption of the Audited Financial Statements and Audited Consolidated Financial Statements for the Financial Year ended March 31, 2017 together with the Reports of the Board of Directors' and Auditors' thereon		
2.	To reappoint Director in place of Mr. J. Ramaswamy (DIN: 00627920) as Director, who retires by rotation and being eligible offers himself for re-appointment.		
3.	Approval for payment of remuneration to Cost Auditors M/s. R Nanabhoy & Co. for the year 2017-18		
4.	Appointment of Mr. Anil Pande as Director of the Company.		

Signed this ____________ day of September, 2017.

Signature of the Shareholder ____________

Signature of Proxy holder(s) ____________

Affix Revenue Stamp Re 1/-

Note: This form of Proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

HPCL BIOFUELS LIMITED

(CIN: U24290BR2009GOI014927)

Registered Office: No. 271, Road No. 3E, Post Box No. 126 (Patna GPO),
New Patliputra Colony, Patna - 800 013, Bihar. Email: infohpclbiofuels.co.in
Website – www.hpclbiofuels.co.in, phone – 0612-2260185

Attendance Slip for the 8th Annual General Meeting
(to be handed over at the registration counter)

Folio No.	:
Name	:
Address	:
No. of Shares	:

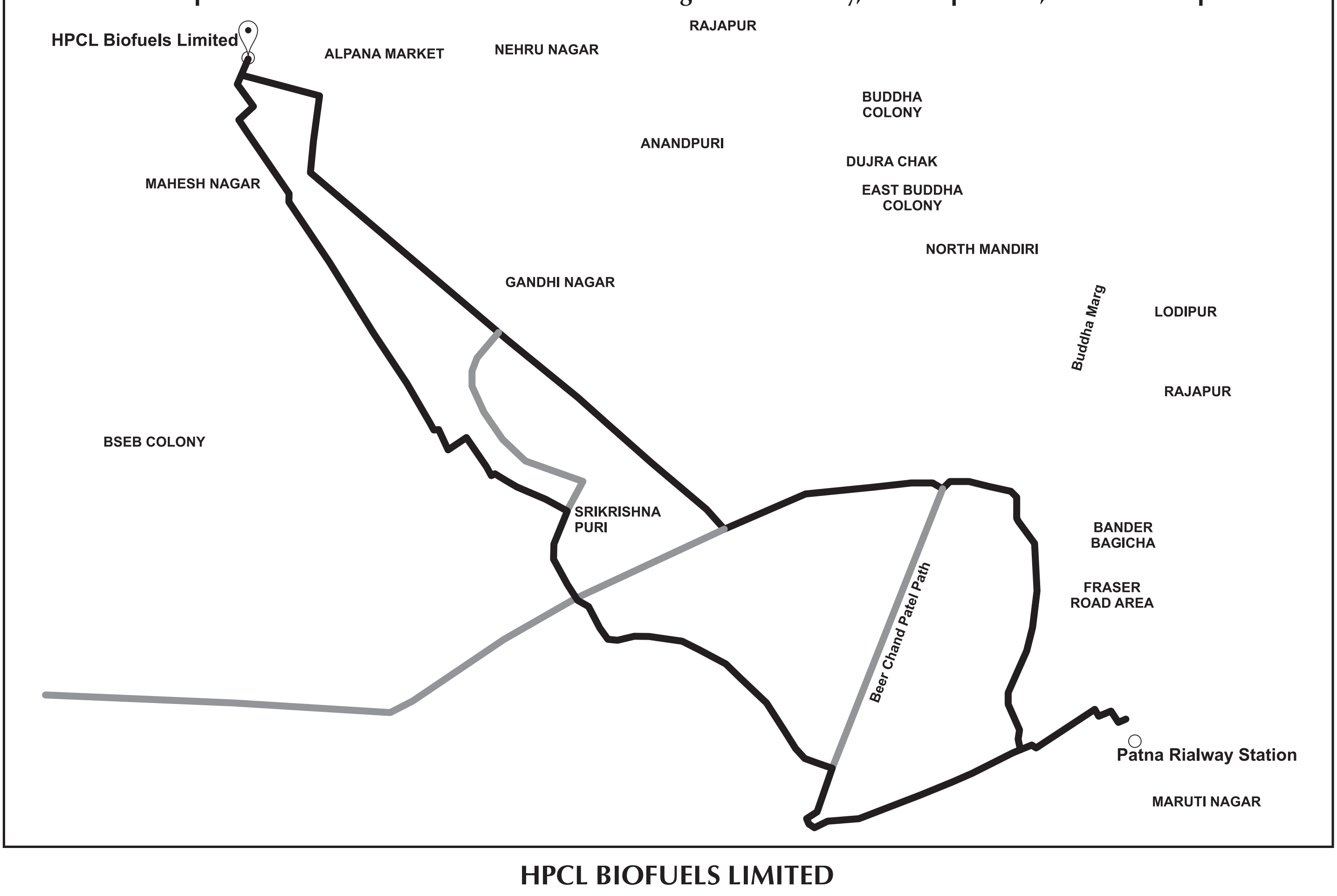
I / We hereby record my / our presence at the 8th Annual General Meeting of the Company on Wednesday, 20th September, 2017 at 2.00 p.m. at Registered Office No. 271, Road No. 3E, Post Box No. 126 (Patna GPO), New Patliputra Colony, Patna - 800 013, Bihar.

First / Sole holder / Proxy   Second / Sole holder / Proxy   Third / Sole holder / Proxy

NOTE:

Shareholders / Proxy holders are requested to bring the Attendance Slip with them when they come to the Meeting and hand it over at the gate after affixing their signature on it.

Route map to the venue of the Annual General Meeting on Wednesday, 20th September, 2017 at 2.00 p.m.



HPCL BIOFUELS LIMITED

Registered Office: No. 271, Road No. 3E, Post Box No. 126 (Patna GPO),
New Patliputra Colony, Patna - 800 013, Bihar.

Cane Farmers Traning Programs

HBL

HPCL BIOFUELS LTD

HPCL BIOFUELS LIMITED

(A wholly owned subsidiary company of
Hindustan Petroleum Corporation Ltd.)
www.hpclbiofuels.co.in