14TH ANNUAL REPORT 2022-23

HPCL Biofuels Limited

(A WHOLLY OWNED SUBSIDIARY COMPANY OF
HINDUSTAN PETROLEUM CORPORATION LIMITED)

HPCL Biofuels Limited

(CIN: U24290BR2009GOI014927)
Registered Office: No.9, 1st Floor, Shree Sadan, Plot No.9,
Patliputra Colony, Patna - 800 013, Bihar. Email:info@hpclbiofuels.co.in
Website – www.hpclbiofuels.co.in, phone – 0612-2260185

Corporate Information

Board of Directors

Mr. S Bharathan
Mr. R Sridhar
Mr. Sujata S Londhe
Mr. C Sridhar Goud
Mr. Shuvendu Gupta
Mr. Neelesh Khulbe

Chief Executive Officer & Manager

Mr. Pranay Kumar

Chief Financial Officer

Mr. Prakash Kumar

Statutory Auditors

Thakur Bhuwanesh and Associates
Chartered Accountants

Bankers

State Bank of India

Company Secretary

Ms. Heena Shah

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fourteenth ANNUAL GENERAL MEETING of the members of HPCL BIOFUELS LIMITED will be held through Video Conferencing ("VC") on Wednesday, 30th August 2023 at 03.00 pm (IST) to transact the following business (es):

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March 2023, together with the Board's Report, the Report of Auditors thereon, and Comments of the Comptroller & Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013, and to pass the following resolution as an Ordinary Resolution.

"RESOLVED THAT Audited Financial Statements of the Company for the financial year ended on 31st March 2023 together with the Boards' Report, the Report of Auditors' thereon, and Comments of the Comptroller & Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013 as circulated to the Members and laid before the meeting be and are hereby received, considered and adopted."

2. To appoint a Director in place of Ms. Sujata S Londhe (DIN-09027824) who retires by rotation and being eligible offers herself for reappointment, and to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Sujata S Londhe (DIN-09027824), who retires by rotation at this meeting and being eligible offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. To authorize the Board of Directors to fix the remuneration of Statutory Auditors for FY 2024-25, and to pass the following resolution as an Ordinary Resolution.

"RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditors of the Company as appointed by the

Comptroller and Auditors General of India for the financial year 2024-25 as may be deemed fit by the Board."

SPECIAL BUSINESS:-

4. Appointment of Mr. Shuvendu Gupta (DIN– 09755479) as Director of the Company:

To consider and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, and further amendments thereto from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and also the provisions of Articles 121 of the Articles of Association of the Company, Mr. Shuvendu Gupta (holding DIN – 09755479), who has been appointed as an Additional Director of the Company by the Board of Directors with effect from October 4th, 2022 in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the Office of Director under section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. Appointment of Mr. Neelesh Khulbe (DIN – 10051311) as Director of the Company:

To consider and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, and further amendments thereto from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and also the provisions of Articles 121 of the Articles of Association of the Company, Mr. Neelesh Khulbe (holding DIN: 10051311), who was appointed as an Additional Director with effect from March 27th, 2023 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 of candidature has been received from a member in writing for the Office of Director, proposing candidature of Mr. Neelesh Khulbe for the office of a Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. **Ratification of the remuneration payable to the Cost Auditor for the financial year ending on 31st March 2024:**

To consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, the remuneration payable to M/s. Deepak & Associates, Cost Accountants (Firm Registration No. 102574), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2023-2024, amounting to Rs.55,000/- (Rupees Fifty-five Thousand only) excluding the payment of applicable tax and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified."

By Order of the Board
For HPCL Biofuels Ltd.

Sd/-
Heena Shah
Company Secretary
ACS - 13736

Dated:18.08.2023

Registered Office:
House No.9, 1st Floor, Shree Sadan,
Plot No.9, Patliputra Colony,
Patna - 800 013, Bihar.

Notes:—

1. In view of the Ministry of Corporate Affairs ('MCA') circular dated 28th December 2022 Companies are permitted holding of the annual general meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue till September 2023. In compliance with the provisions of the Companies Act, 2013 (the 'Act'), and MCA Circulars, the AGM of the Company is being conducted through VC/OAVM hereinafter called as 'AGM'.

2. The deemed venue for this AGM shall be the Petroleum House, 17, J Tata Road, Churchgate, Mumbai - 400020. Since the meeting will be conducted through VC/OAVM facility, the route map is not annexed to this Notice.

3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars

through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Corporate shareholders are required to send a scanned copy (pdf/jpg format) of its board resolution/authorization, etc. authorizing their representative to attend the AGM on its behalf and to vote/ e-vote on the resolutions by show of hands at the AGM. The said resolution/authorization shall be sent to the Company Secretary's e-mail:heenas@hpcl.in.

5. The Company has been maintaining, inter alia, the following statutory registers -
   i) Register of contracts or arrangements in which directors are interested under section 189 of the Act.
   ii) Register of Directors and Key Managerial Personnel and their shareholding under section 170 of the Act.

Following the MCA Circulars, the said registers will be made accessible for inspection through Electronic mode and shall remain open and be accessible to any member during the continuance of the meeting.

6. The Members are requested to follow the below instructions:-

a) Participation:

i. Pursuant to the aforementioned general circular, the physical presence of the Members has been dispensed with, and therefore the appointment of Proxy(ies) is not permitted. However, in pursuance of sections 112 and 113 of the Companies Act, 2013, representatives of the members may be appointed to vote by show of hands during the AGM. The Corporate Shareholders proposing to participate at the meeting through their representative, forward the necessary authorization under Section 113 of the Act for such representation to the Company through e-mail to heenas@hpcl.in before the commencement of the meeting.
   - Since the AGM will be held through VC/OAVM, the Route Map for the Venue of the AGM is not annexed to this Notice.
   - Members will be able to attend the AGM through VC/OAVM on the link which will be provided separately.
   - Members who need assistance before/ during the AGM can contact Ms. Heena B Shah's mobile no. 9769694933.

ii. The Members are requested to use the following link/Dial-in details to join the meeting:

iii. For ease of participation of the Members, during the meeting, members may post questions by typing in the "comment box" in the link/Dial-in. The Members may also, before the meeting, submit the questions through e-mail to heenas@hpcl.in.

iv. On the date of the meeting, the facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will be open up to 15 minutes after the scheduled start time of the e-AGM.

v. In case any member requires assistance using the Link/Dial-in before or during the meeting, you may call Helpline No. 9769694933.

vi. To ensure smooth participation, the Members, Directors, Key Managerial Personnel, and all other persons authorized to attend the meeting are requested to ensure that the device used for attending the meeting through video conferencing has a strong internet signal/ network.

b) Voting:

The members can cast their Votes by show of hands during AGM.

i. In case a poll is demanded, the Chairman shall follow the procedure provided in Section 109 of the Companies Act, 2013, and the rules made thereunder.

ii. On-demand of the poll, the Members may vote by sending an e-mail to the designated e-mail id: heenas@hpcl.in stating their assent/ dissent. For convenience during voting, the Members are requested to use the following box and state the symbol or mention the no. of shares held by them in the assent/ dissent box.

Example 1: Using Symbol ('√')

Item no. of agenda	**Assent**	**Dissent**
To appoint a Director in place of Ms. Sujata S Londhe (DIN-09027824) who retires by rotation and being eligible offers herself for reappointment:	√	

Example 2: Using No. of Shares held.

Item no. of agenda	**Assent**	**Dissent**
To appoint a Director in place of Ms. Sujata S Londhe (DIN-09027824) who retires by rotation and being eligible offers herself for reappointment:	1	

c) Other instructions/ information:

i. Members are requested to address all communications through their registered e-mail id only.

ii. The recorded transcript shall be available on the website: www.hpclbiofuels.co.in the post the conclusion of the meeting i.e. three days from the conclusion of the AGM.

iii. Annual Report and Notice for the meeting is also available on the website of the Company.

iv. The meeting is proposed to be held at shorter notice and therefore as per the provisions of Section 101 of the Companies Act, 2013, and rules made thereunder, require consent for a shorter notice from the members entitled to vote and who represent not less than ninety-five percent of such part of the paid-up share capital of the Company.

v. In case of any doubts or clarification, the members are requested to contact Company Secretary through e-mail: heenas@hpcl.in.

vi. The documents related to matters set out in the notice can be requested via email by writing to the Company Secretary at heenas@hpcl.in on all working days up to and including the date of this Annual General Meeting of the Company.

7. 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.
8. Members are requested to promptly notify any change in their postal address/ E-mail address to the Registered Office of the Company.
9. At the ensuing Annual General Meeting, Ms. Sujata S Londhe (DIN: 09027824) Director, retire by rotation and being eligible, offer herself for re-appointment.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, in respect of items Nos. 4 to 6 of the NOTICE.

Item No. 4

Mr. Shuvendu Gupta was appointed as an Additional Director w.e.f. 4th October 2022 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 a request in writing from a member of the company, proposing Mr. Shuvendu Gupta's candidature for appointment as Director in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that the presence of Mr. Shuvendu Gupta on the Board is desirable and would be beneficial to the company and has recommended the appointment of Mr. Shuvendu Gupta as a Director of the Company.

Except Mr. Shuvendu Gupta, no other Directors/KMPs of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no.4 of the Notice.

The Board commends the ordinary resolution set out in item no.4 of the notice for approval of the shareholders.

Item No. 5

Mr. Neelesh Khulbe was appointed as an Additional Director w.e.f. 27th March 2023 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 a request in writing from a member of the company, proposing Mr. Neelesh Khulbe’s candidature for Directorship in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that the presence of Mr. Neelesh Khulbe on the Board is desirable and would be beneficial to the Company and has recommended the appointment of Mr. Neelesh Khulbe as a Director of the Company.

Except Mr. Neelesh Khulbe, no other Directors/KMPs of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no.5 of the Notice.

The Board commends the ordinary resolution set out in item no.5 of the notice for approval of the shareholders.

Details of Directors being appointed/reappointed as required under the provisions of Companies Act, 2013:

Name of Director	Shuvendu Gupta	Neelesh Khulbe
DIN	09755479	10051311
Date of Birth	19th November 1964	21st May 1967
Age	59 years	56 years
Date of Appointment	4th October 2022	27th March 2023
Qualification	BSC Electrical	PG Applied Economics & Business Administration
Experience	35	32
Details of experience * **	*	**
Directorships held in other Companies	-	-
No. of shares held in Company	-	-
Relationships between directors inter-se	N.A.	N.A.

- * Mr. Shuvendu Gupta – Mr. Shuvendu Gupta has work experience for nearly 35 years and has worked in almost all the Marketing verticals of HPCL. He has worked in Retail, LPG, I&C, SOD and currently working in Biofuels and Renewables. He has worked towards Operational Excellence in Marketing vertical for achieving top-quartile performance in improving the HP Brand presence and reliability. He has also played a pivotal role in Augmenting Customer touchpoints and strengthening the supply chain with strategic play Overseas. Keeping in mind the changing business landscape, he has focused on accelerated Digitalization adoption to achieve efficiency, agility, and enhanced customer satisfaction across the marketing value chain.

- ** Mr. Neelesh Khulbe - Shri Neelesh Khulbe has more than 3 decades of experience in various verticals of Human Resource Management at HPCL. He has extensively worked in areas of Talent Sourcing & workforce planning, compensation design, HR functional strategy design, employee engagement, union interface along with regulatory & legal compliances, and competency modelling and assessment spanning different geographies & covering all levels of the workforce.

Item No. 6

The Board 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 2023-24, for a remuneration of Rs. 55,000/- (Rupees Fifty Five 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 shareholders of the company.

Accordingly, the consent of the member is sought for passing the ordinary resolution as set out in item no. 6 of the notice for approval of the remuneration payable to cost auditors for the financial year 2023- 2024.

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 in item no. 6 of the Notice.

The Board commends the ordinary resolution set out in item no. 6 of the notice for approval of shareholders.

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

Sd/-
Heena Shah
Company Secretary
ACS- 13736

Date:18.08.2023
Registered Office:
House No.9, 1st Floor, Shree Sadan,
Plot No.9, Patliputra Colony
Patna - 800 013, Bihar.

HPCL Biofuels Limited

DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors of your Company, I take the privilege in presenting to you the 14th Annual Report on the working of the Company along with Audited Financial Statements together with the Auditor's Report and comments of the Comptroller and Auditor General of India for the financial year ended on March 31, 2023.

PHYSICAL PERFORMANCE

Highlights of the physical performance of the plants during the financial year 2022-23 are given below:

FY 2021-22	Particulars	UoM	Sugauli	Lauriya	FY 2022-23
83	No of days operated	Days	110	133	122
4,71,549	Quantity of cane crushed	MT	407651	445219	852870
39,557	Sugar produced	MT	34511	37641	72152
9.15	Sugar Recovery	%	8.85	8.95	8.90
9243	Ethanol produced	KL	7297	7670	14967
35,439	Power generated	MWhr	31036	37020	68056
13,783	Power exported (net)	MWhr	15399	18946	34345

FINANCIAL PERFORMANCE

Particulars	For the year ended 31/03/2023	For the year ended 31/03/2022
	(Rs.in Lakhs)	(Rs.in Lakhs)
Income from Operations	29812.72	22007.50
Other Income	448.29	272.03
Total Income	30261.01	22279.53
Total Expenses	28922.67	23930.84
PBDIT	1338.34	-1651.30
Less-Depreciation	2830.55	2820.99
Less-Interest	2648.57	2293.77
Provision/(Reversal) for Inventory variations	0	71.10
Profit / (Loss) for the year before Tax and Other comprehensive Income	-4140.78	-6694.97
Other Comprehensive Income	8.97	22.68
Provision/(Reversal) for Taxes		
Profit / (Loss) for the year after Tax carried forward to Balance Sheet	-4131.81	-6672.29

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company for the year under review.

DIVIDENDS & RESERVES

Your company has commissioned it's both the plants during the 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 2023 and has not proposed to transfer any amount to reserves.

RIGHTS ISSUE OF SHARES

Your Company by way of Rights issue of Shares, issued 22,78,90,000 equity shares to HPCL and proceeded of the issue was utilized for conversion of working capital loan into equity (Rs 225 cr) and in completion of Central Pollution Control Board specified projects (Rs 2,89 cr).

PERFORMANCE OF THE PLANTS

- Sugar Plant

During season 2022-23,the performance of both the units were outstanding and performed at its all-time best in terms of Cane crushing and revenue realization. Lauriya achieved Cane crushing of 44.52 lakh quintals while Sugauli unit crushed 40.76 lakh quintals which is so far highest in history of HBL. Due to proper cane management system and effective field job by the cane department of both the units we were able to crush 38.13 lakh quintals extra as compared to last year. The sugar recovery was 8,95% and 8.85% for Lauriya & Sugauli respectively, with diversion to B-Heavy Molasses production. The average recovery during the season was standalone on sugar was 8.90%. and after accounting for B-Heavy diversion, the effective recovery has been 10.39%. The combined total sugar production was 72152 MT during the season. HBL was the first unit in Bihar to commence crushing operation on10nd Nov'2022 and Lauriya 11th Nov 2022 which gave us an early mover advantage in the state.

- Ethanol Plant

Both the distillery have performed at its all-time best in terms of Ethanol Production and revenue realization. Lauriya achieved Ethanol Production of 7670 KL while Sugauli unit 7297 KL which is so far highest in history of HBL. The production at both the distillery were above the rated capacity thereby achieving total production of 14967 KL during the year. Effective maintenance which included cooling tower R&M and MSDH replacement at Lauriya resulting in overall production of 5724 KL extra at both plants as compared to last crushing season, which is an increase of 62%.

- Co-gen Plant

Co-gen plant of Lauriya unit performed reasonable well, The total Power Generation was 68056 MWH which is 32617 MWH extra as compared to last crushing season of 21-22, and Net power export 34345 MWH during the FY 2022-23 an excess of 20562 MWH which is 149% extra.

CANE MANAGEMENT

Cane Management was given a major focus, which effectively resulted in highest yield since inception of the company. It constitutes a major factor in the percentage of sugar recovery, which is critical for the plants physical performance, and a critical factor in deciding the financial performance of the company. Total yield in the command area of both the plants were 8.53 Lakh MT. In addition to the major activities undertaken for fertilizer & pesticides distribution, many new steps were implemented

which included extensive spray of Foliar, extensive usages of Tricoderma and above all effective Ratoon Management. Promotion of cultivation of new premium high yield varieties CO-0118, CO-15023, COLK-14201, CoS-13235 gave an impetus to cane yield.

Timely cane payment to all the farmers were done during the festival season especially at the time to Chat Puja and Diwali. This helped in building confidence among the farmers leading to increase loyalty and less diversion of cane. All efforts were made for educating farmers for adopting modern methods of cane cultivation and plantations of premium variety of cane. In addition to the Kisan Sanghosti at Zone level, 470 Grower;s meeting at village level was organized for imparting training to farmers on all issues pertaining to Cane management. Special attention was given to implementation of state Govt. driven scheme namely Mukhya Mantri Gramin Ganna Vikash Yojana for Cane development including seed distribution of paddy with prime purpose of Farmers welfare.

RENEWABLE ENERGY BENEFITS

Your company is registered with the competent authority for the issue of Renewable Energy Certificates (REC) in respect of the captive consumption of power generated by its co-gen plant operating on Bagasse / Biomass. The Company in accordance with the rules has obtained renewable Energy Certificates (REC) and currently HBL has around 11806 no's REC worth Rs.1.1 Crs. which can be traded only after the removal of trade restriction imposed by CERC from December 2022. 100% pending REC of the last crushing season of 21-22 and 22-23 has been issued and accounted.

Total 3463 RECs have been sold resulting in realization worth Rs. 34.63 Lakhs.

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. It is a proud moment to note that your Company had accident-free operations during the period under review. As a major environmental protection compliance, we are pleased to inform that the new Bio-composting yard at both the plants are now operational. Further the work of Mechanical Sludge Handling Systems at both the plants are in progress and tendering activities for Condensing Polishing Unit (CPU) for both the plants are in advance stage.

Safety Audit is being done regularly by the safety officers of both the Plants and we have undertaken tree plantation in and around the plant premises which are also one of the requirements of BSPCB / CPCB.

Your company believes that employees are its biggest assets and hence it takes care to ensure the health & well-being of all employees. Measures were duly taken to enforce Covid prevention protocols.

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 neighboring states as well. The realization is quite well and there are no outstanding or bad debts. Despite the monthly domestic sale cap, fluctuations in market condition, the average realization for the FY stands at Rs. 35170 /MT which is 1204/ MT more in comparison to last year which is contributing to 3.55% more than the previous year 21-

22. Brown sugar quantity 504.1 MT has also been sold realizing Rs1.37 Crores. Entire lot of old sugar from season 2019-20/2020-21 and 2021-22 has been sold.

Total realization from sugar sales was 228.75 Crores which includes domestic and Export sales.

We have enrolled 11 new traders to have a good penetration in Sugar sale market. The customer satisfaction is corroborated as no complaints were received from any customer.

Your company has also executed export of sugar to Nepal/ Sudan/Zambia realizing additional revenue of Rs. 20.72 Crores apart from domestic sales. Export to Nepal is the first export executed by HBL. The demand for domestic sugar has also increased after the manufacturing details such as Batch / lot details are being printed on 100% sugar bags. Your company has taken adequate measures to avoid the sugar getting moist by way of improvement in stacking procedures and usage of premium quality cover sheet as prevalent in the industry.

10780 MT of additional sugar quota was claimed and sold from DFPD on account of diversion to B-Hy Molasses.

- **ETHANOL**

  HPCL had placed orders for uplifting all the ethanol in stock produced in the year 2022-23. Your Company acknowledges with gratitude the help extended by HPCL by way of advance against the supplies. Supplies to HPCL depots in the state of Bihar have substantially increased, leading to higher realization to your company. Your Company has also produced around total 14967 KL of Ethanol from both the plants which is 5724 KL extra contributing to an increase of 62% over previous year.

  HPCL Mughalsarai Depot was added from December 2022 for supplying of ethanol and 813 KL was supplied. Your company currently supplies Ethanol to Bihar, Jharkhand and UP.

- **POWER**

  Entire surplus power generated is exported to the BSEB grid and their payments have largely been on time, much to the relief of your company. Renewable Energy Certificates as mentioned above are being traded. The total Power Generation was 68056 MWH which is 32617 MWH extra contributing to an increase 92.04% as compared to last crushing season of 21-22. Net power export of 34345 MWH was done during the crushing season 2022-23 which is an excess by 20562 MWH contributing to 149% increase in comparison to last year.

FUTURE OUTLOOK

Indian sugar companies will likely see their revenues increase 8-12% in FY23, supported by addition in installed capacity along with an rise in ethanol blending target and price, Domestic sugar production is estimated at 340 lakh tonne in sugar season 2022-23, which runs from October-September, compared to the peak of 358 lakh tonne output in 2021-22; with the highest ever diversion towards ethanol estimated at 45 lakh tonne (up 41% year-on-year), according to Indian Sugar Mills Association (Isma). This increasing diversion towards high realisation ethanol is likely to support 8-12% revenue growth for sugar mills this fiscal. By the year 2025, the government is targeting to divert 60 lakhs tonne of excess sugar towards ethanol annually.

The growth is expected to be supported by addition in installed capacity for sugar production and distilleries along with an increase in ethanol blending target and price. The Indian Ethanol (also called Ethyl Alcohol) market is projected to expand aggressively in the forecast period on the back of

increased Ethanol consumption in fuel additives and beverages. Moreover, heavy investments made by the Government of India towards converting excess sugar to Ethanol, further strengthened by the government's vision to create an Ethanol Economy will accelerate the Ethanol demand in the forecast period.

With the start of National Biofuel Policy 2018, which has put forth an Ethanol blending target of 10% by 2022 and 20% by 2030 from the current rate of 2-3%, Ethanol demand is set to grow by leaps and bounds in the period of forecast. Over the past five years, the Indian government has been encouraging Ethanol capacity expansion to cut its dependency on imported crude oil and channelize the excess sugar inventories into Ethanol production. These factors will further propel the growth of the Ethanol market in India.

India currently aims to achieve an E10 blend by 2020 and E20 by 2030. The country's Ethanol Blending Program highlights procurement of Ethanol produced directly from B-heavy molasses, sugarcane juice, and damaged food grains. A surplus sugar season coupled with financial incentives to convert excess sugar into ethanol is expected to boost the Ethanol produced volumes over the years ahead.

Moreover, India's resolve to reduce pollution and dedication towards fulfilling its COP-21, the UN Climate Conference commitments, would drive the Ethanol industry in the long term. Also, the Cabinet Committee on Economic Affairs (CCEA) in FY19 approved 'Pradhan Mantri JI-VAN Yojana' for providing financial support to integrated bio-ethanol projects using lignocellulosic biomass and several renewable feedstocks. These factors would highly favor the growth of the Indian Ethanol industry in the future.

The Indian Ethanol (also called Ethyl Alcohol) market is projected to expand aggressively in the forecast period on the back of increased Ethanol consumption in fuel additives and beverages. Moreover, heavy investments made by the Government of India towards converting excess sugar to Ethanol, further strengthened by the government's vision to create an Ethanol Economy will accelerate the Ethanol demand in the forecast period.

ANNUAL RETURN

In accordance with Section 134(3) (a) of the Companies Act, 2013, the annual return in the prescribed format will be appended to the Company website under the financial tab at www.hpcl.biofuels.co.in. on uploading of the same on MCA.

PERFORMANCE MOU

Your Company has been signing a Memorandum of Understanding (MOU) with its holding company Hindustan Petroleum Corporation Limited (HPCL) as per the target set by HPCL. In FY 2022-23, MOU has been signed by the Company with HPCL.

PARTICULARS OF BORROWINGS

Your company has been servicing all its borrowings on time. At the end of FY 2022-23 Rs.114.43 crore funds utilized by us from Cash Credit Bank Account is only borrowings outstanding for the year.

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. The same is disclosed in Form No. AOC-2 **Annexure to the report.**

NET WORTH

As of 31.03.2023, the Net-worth of the Company was Rs 39348.74 Lakhs as against Rs 20,691.55 Lakhs as of 31.03.2022, after Equity Infusion of Rs 22789 Lakhs by the holding Company, HPCL.

AUDITOR'S COMMENT

Statutory Audit -

There is no qualification, reservation, or adverse remark made by the Statutory Auditors in his report on the financials for the financial year 2022-23.

SECRETARIAL AUDIT –

Secretarial Audit for the FY 22-23 has been carried out by M/s. RJSY & Associates, Company Secretaries, Mumbai. There is no qualification, reservation or adverse remark made by the Auditors in their report, copy of the report is attached as annexure to this report.

SUPPLEMENTARY AUDIT / COMMENT BY C&AG–

The comments of C&AG under Section 143(6) of the Companies Act, 2013 on the accounts of the Corporation for the year 2022-23 along with the reply of the Management thereto, forms part of this Report.

CREDIT RATING

The rating of the Company during 2022-23 was the same as for the year 2021-22 it has been maintained at the same level to the IND A rating with a stable outlook 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 2023 to 19th January 2024. 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 even after an upward revision in premium rates of Insurance companies.

MICRO, SMALL & MEDIUM ENTERPRISES (MSME)

Your Company has complied with applicable guidelines under MSME as regards procurement for the financial year 2022-23.

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 until the date of this Report, which affect the financial position of the Company.

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.

BOARD'S SUB-COMMITTEES –

As per Ministry of Corporate Affairs (MCA) exemption notification dated 6th July 2017 [Ref. no. G.S.R 839(E)], the Company is exempt from the appointment of Independent Directors and hence, it is not mandatory to have Audit Committee and Nomination & Remuneration Committee.

SECRETARIAL STANDARDS

The Secretarial Auditors have certified in their report that your Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, during the FY 22-23.

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 that monitors and evaluates the efficacy and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures, and policies of the Company.

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.

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.

COMPLIANCE WITH APPLICABLE LAWS

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 intervals.

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 a proper mechanism of risk management to identify, quantify, and manage all risks and opportunities that may affect the achievement of the entity's strategic, legal, operational, and financial goals and takes appropriate actions for documentation, mitigation, controlling, and reporting mechanism for such risks.

CONTINGENT LIABILITY

There are no contingent liabilities other than those mentioned in Note No.54 of notes to accounts.

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 any 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.

SHARES

a. BUY BACK OF SECURITIES - The Company has not bought back any of its securities during the year under review.

b. SWEAT EQUITY - The Company has not issued any Sweat Equity Shares during the year under review.

c. BONUS SHARES - No Bonus Shares were issued during the year under review.

d. EMPLOYEES STOCK OPTION PLAN - The Company has not provided any Stock Option Scheme to the employees.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Your company does not have any Subsidiaries, Joint Venture or Associate companies.

VIGIL MECHANISM

As per the Directives of the 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.

WHISTLEBLOWER POLICY

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

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (Prevention, Prohibition and Redressal) Act, 2013

The Company has the Internal Complainants Committee (ICC) as prescribed under the act and there are nil complaints received by the Company during the year.

DETAILS OF ANNUAL GENERAL MEETINGS (AGM)

The last three AGM details are as under;

Meeting No.	Meeting Date	Location
11	2nd September 2020	Mumbai
12	06nd September 2021	Through Web-Ex
13	10th August,2022	Through Web-Ex

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-1**.

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.

FRAUD REPORTING

During the year under review, the Statutory Auditors or Secretarial Auditor of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under section 143(12) of the Act, including rules made thereunder.

STATUTORY AUDITORS

M/s Thakur Bhuwanesh & Associates, Chartered Accountants, Patna (Firm Registration No. 019690N), were appointed as Statutory Auditors by Comptroller & Auditor General of India (C&AG) by their letter dated 30/08/2022 for the year 2022-23 and shall retire at the conclusion of this Annual General Meeting.

The Board at its Meeting held on 3rd May 2023 considered the proposal for the appointment of Statutory Auditors and accordingly request was made to C&AG to appoint Auditors of the Company for the financial year 2023-24.

COST AUDITOR

M/s. Deepak & Associates, Cost Accountants (Firm Registration No. 102574) has been appointed as cost auditors, in accordance with the guidelines issued in this regard by the Board of Directors, and the appointment was ratified by the shareholders at the last Annual General Meeting. The cost statements for the year 2022-23 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 will be filed with the Ministry of Corporate Affairs (MCA) as per applicable provisions of the Companies Act, 2013.

WOMAN DIRECTOR

As per HPCL's nomination letter dated 24th December 2020 Ms. Sujata S Londhe, Executive Director-Treasury at HPCL was appointed as Woman Director effective 12th January 2021 on the Board of the Company in terms of the provisions of section 149 of the Companies Act 2013.

INDEPENDENT DIRECTORS

As regards, the appointment of independent Directors, basis the Ministry of Corporate Affairs notification dated 6th July, 2017, [Ref. no. G.S.R. 839(E)], Wholly-Owned Subsidiary of unlisted public companies are exempted from the appointment of Independent Directors.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of section 134(3)(c) of the Companies Act, 2013, your Directors confirm 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, 2023 and of the Statement of Profit and Loss of the Company for the year ended on 31st March 2023.
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.

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

Sd/-
Chairman

Date: 28.08.2023

HPCL Biofuels Limited

Annexure – 1

A. CONSERVATION OF ENERGY

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

(a) The year 22-23 has been the Eleventh 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

Specific areas in which R & D carried to be identified & plan.

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

In the upcoming season, it is proposed to commence the work of Grain Based Distillery at both Plants alongwith Capacity augmentation from 60 KLPD to 70 KLPD at each Distillery.

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

Benefits will accrue in the coming years as the plants stabilize on commercial terms. The Distillery with Maize/Broken rice as a feedstock, which will be available round the year, can enable distillery to be operated beyond the cane crushing season for round-the-year operation. The operation of distillery will no longer be governed by restricted period of molasses availability. One of the main environmental concern, which is spent wash management, will be addressed on the commencement of operation of Grain based Distillery wherein the spent wash will be converted to DDGS (Distillers Dry Grain Soluble) which is used as cattle feed.

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 – 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 2022 to March 2023
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sales of ethanol –Rs. 5,163.44 Lakhs, Purchase of lubes / Sulphur - Rs. 152.46 Lakhs, Interest paid to HPCL on Bridge loan- Rs. 543.57 Lakhs, Interest paid to HPCL on Ethanol Advance - Rs. 269.50 Lakhs, Salary etc. of personnel deputed from HPCL - Rs. 425.72 Lakhs, Rs 6535 lakhs advance taken against supply of Ethanol, Balance of Ethanol advance as on 31.03.23– Rs. 5613.00 lakhs.
e)	Date of approval by the Board	-
f)	Amount paid as advances, if any	_

On behalf of the Board of Directors

Date: 28.08.2023

Sd/-
Chairman

RUPAL D. JHAVERI
COMPANY SECRETARY
207, 2ND Floor, Regent Chambers, 208, Jamnalal Bajaj Road, Nariman Point, Mumbai- 400 021. Tel.: 022 4344 0103

Annexure -3

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

HPCL BIOFUELS LIMITED

I 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).

The secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing my opinion thereon. Based on my verification of the **HPCL Biofuels Limited** books, papers, minute books, forms, and returnsfiled, 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 the secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March 2023 ('Audit period') 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.

I have examined the books, papers, minute books, forms, and returns filed and other records maintained by **HPCL Biofuels Limited** for the financial year ended 31st March 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under **(Not Applicable);**

(iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under **(Not Applicable);**

(iv) 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);**

(v) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(Not Applicable);**

(vi) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(NotApplicable);**

(vii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018;

c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;

f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

(viii) Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:

a) The Bihar Sugarcane (Regulation of Supply and Purchase) Act 1981;

(ix) Other laws to the extent applicable to the Company as per the representations made by the Company;

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

(i) Secretarial Standards issued pursuant to section 118(10) of the Act, by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with 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.

I further report that

The Board of Directors of the Company is constituted with Non-executive directors. The Company does not have any executive directors as there is a Chief Executive Officer 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, the agenda and detailed notes on agenda were sent at least seven days in advance except in certain cases, 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.

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

RUPAL D. JHAVERI
COMPANY SECRETARY
207, 2ND Floor, Regent Chambers, 208, Jamnalal Bajaj Road, Nariman Point, Mumbai- 400 021. Tel.: 022 4344 0103

I 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.

I further report that during the audit period:

1. **The Company has increased its authorised share capital from Rs. 11,500,000,000 to Rs. 14,000,000,000.**
2. **The Company had allotted 227,890,000 Equity Shares of Rs. 10/- each by way of Rights Issue.**

Rupal Dhiren Jhaveri

Digitally signed by Rupal Dhiren Jhaveri
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Date: 2023.07.19 19:28:59 +05'30'

Rupal D. Jhaveri
Company Secretary in Practice
Membership No.: F5441
C.P. No.: 4225
ICSI UDIN: F005441E000643969
Peer Review Certificate No.: 1139/2021

Place: Mumbai
Date: 19th July 2023

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

RUPAL D. JHAVERI
COMPANY SECRETARY
207, 2ND Floor, Regent Chambers, 208, Jamnalal Bajaj Road, Nariman Point, Mumbai- 400 021. Tel.: 022 4344 0103

To,
The Members,
HPCL BIOFUELS LIMITED
My report of even date is to be read along with this letter.

'Annexure A'

1. The maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. The audit practices and processes followed by me were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure those correct facts are reflected in secretarial records. I believe that the processes and practices, followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. 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.

Rupal Dhiren Jhaveri

Digitally signed by Rupal Dhiren Jhaveri
DN: c=IN, o=Personal, 2.5.4.20=2000dc4910388e327bfb1376466 4661fce9fa132d5a0f96535329b371910fc4 2, postalCode=400007, st=Maharashtra, serialNumber=06d9765a1e9ed5c06357e8 c46f80d4c0ace42f0630e94cf990d024bb6 cc2fd7b, cn=Rupal Dhiren Jhaveri
Date: 2023.07.19 19:29:28 +0530

Rupal D. Jhaveri
Company Secretary in Practice
Membership No.: F5441
C.P. No.: 4225
ICSI UDIN: F005441E000643969
Peer Review Certificate No.: 1139/2021

Place: Mumbai
Date: 19th July 2023

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 2023

The preparation of financial statements of HPCL Biofuels Limited for the year ended 31 March 2023 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) ot the Act. This is stated to have been done by them vide their Audit Report dated 05 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of HPCL Biofuels Limited for the year ended 31st March 2023 under Section 143(6)(a) of the Act. 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.

Based on my supplementary audit, 1 would like to high light the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

A.	Comment on Profitability
i.	Statement of Profit and Loss Employee Benefit Expenses (Note 29): i 3157.31 lakh The above does not include arrear of T 657.54 lakh on account of wage revision of seasonal employees for the period October 2018 to March 2023. The arrears were payable in compliance to Government of Bihar Memorandum dated 20 September 2022. Since Memorandum was issued in September 2022, provision for arrear on account of wage revision payable from the effective date was required to be made. Non-provision of wage revision arrears payable to seasonal employees has resulted in understatement of Employee Benefit Expenses and loss by ₹657.54 lakhs.
B	Comment on disclosure
I.	Remaining contracts/Contingent Liabilities & Management Remuneration etc. Claims against the company not acknowledged as debt (Note 54) The above does not include a sum of T 1 86.87 lakh towards the demand notice of certificate debtor received from certificate officer during the year 2022-23. The demand notice of certificate officer should be considered as claim and the same should have been included in claims against the
	company not acknowledged as debt. Non-inclusion of the above amount has resulted in understatement of claims against the company not acknowledged as debt by T 186.87 lakh.

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

Patna: Ranchi
Date: 14.07.2023

Sd/-
(U.s. Prasad)
(Director General of Audit) (Steel)

MANAGEMENT REPLY TO THE COMMENTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA

C & AG COMMENTS	MANAGEMENT REPLY
Statement of Profit and Loss **Employee Benefit Expenses (Note 29): ₹3157.31 lakh** The above does not include arrear of ₹ 657.54 lakh on account of wage revision of seasonal employees for the period October 2018 to 31 March 2023. The arrears were payable in compliance to Government of Bihar Memorandum dated 20 September 2022. Since Memorandum was issued in September 2022, provision for arrear on account of wage revision payable from the effective date was required to be made. Non-provision of wage revision arrears payable to seasonal employees has resulted in understatement of Employee Benefit Expenses and Loss by ₹ 657.54 lakh.	Company is in process of accessing the arrears on account of wage revision, once assessment is completed necessary accounting effect will be taken in due course.
Remaining contracts/Contingent Liabilities & Management Remuneration etc. **Claims against the company not acknowledged as debt (Note 54)** The above does not include a sum of ₹ 186.87 lakh towards the demand notice of certificate debtor received from certificate officer during the year 2022-23. The demand notice of certificate officer should be considered as claim and the same should have been included in claims against the company not acknowledged as debt. Non-inclusion of the above amount has resulted in understatement of claims against the company not acknowledged as debt by ₹ 186.87 lakh.	Representation has been given to State Govt through BISMA and relief has been sought through competent court. Matter being subjudice and if not withdrawn, we will disclose the same in FY 2023-24 as contingent liability.

Sd/- Sd/-

CEO CFO

Pranay Kumar **Prakash Kumar**

INDEPENDENT AUDITOR'S REPORT

To,

The Members of

HPCL Biofuels Limited

Report on the Standalone Ind AS Financial Statements

Opinion

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, 2023, 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.

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, 2023, 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.

Basis for Opinion

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 (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible of other information. The other information comprises the information included in Report on Corporate Governance, Shareholder informationand Report of the Board of directors & Management Discussion and analysis but does not include the standalone Financial Statements and our auditor's report thereon.

Our opinion on the standalone Financial Statements does not cover the other information and we do express any form of assurance conclusion thereon.

In connection with our audit of standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Financial Statements, or our knowledge obtained during the course of audit or otherwise appear to be materially misstated.

We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS 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.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if

such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, theplanned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 A". Our report expresses an unmodified opinion on the adequacy and operating

effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

h) As per notification no. G.S.R 463(E) dated June 5, 2015, the Government companies are exempted from the provisions of section 197 of the Act and hence we are not required to report as to whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.".

i) 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.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

j) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Ultimate Beneficiaries or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedure that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations under sub-cluse (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

k) Since the mandatory uses of audit trail compliant software by the company is applicable w.e.f. 1st April 2023 only, we as auditors are of the opinion that reporting under Rule 11(g) of the Company (Audit and Auditors) Rules, 2014 is not tenable for FY 2022-2023.

l) The company has not declared nor proposed or paid any dividends during the year and therefore compliance under section 123 of the Act is not applicable to the Company.

m) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Thakur Bhuwanesh and Associates**
Chartered Accountants
Firm Registration Number- 019690N

Sd/-
(CA. Rajesh Kumar Jha)
Partner
Membership Number- 412318
UDIN: 23412318BGWVVG6650

Place: Patna
Date: 5th May'2023

"ANNEXURE-A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **HPCL Biofuels Limited** of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section143 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 31st, 2023 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 judgment, 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 authorizations of management and directors of the company; and

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

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 subjectto 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 31st, 2023, 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 **Thakur Bhuwanesh and Associates**
Chartered Accountants
Firm Registration Number- 019690N

Sd/-
(CA. Rajesh Kumar Jha)
Partner
Membership Number- 412318
UDIN: 23412318BGWVVG6650

Place: Patna
Date: 5th May'2023

"ANNEXURE-B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements'section of our report to the Members of HPCL Biofuels Limited of even date)

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A)The company has maintained proper records of Property, Plant and Equipment showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Physical verification of these Property, Plant and Equipment has been conducted during the year, the periodicity of which appears reasonable. According to the information and explanations given to us, 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.

(d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) Physical verification of inventory has been conducted by the management during the year, the periodicity of which appears reasonable. According to the information and explanations given to us, no material discrepancies have been noticed on such verification during the year.

(b)The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets.

(C)Monthly return/Statement has been filed by the company with the Bank are agreement with the books of account of the company.

(iii) According to the information and explanation given to us, the company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms or any other parties. Hence reporting under clause 3(iii)(a) to 3(iii)(f) of the order is not applicable.

(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. Hence, reporting under clause 3(v) of the Order is not applicable

(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, GST, 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) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Nature of Demand	**Amount (₹ in Lacs)**	**Forum where matter is Pending**
Disallowance of input tax credit capital goods for the F. Y. 2010-11	698.44	The Commercial Taxes Tribunal, Bihar Appeal case no PT/89/2014
Demand of Entry Tax for the F.Y. 2010-11 (₹ 10.22 Lacs paid as advance tax under protest)	68.12	The Commercial Taxes Tribunal, Bihar Appeal case no PT/90/2014
Demand for the F.Y. 2012-13 on account of denial of Input Tax Credit	93.81	The Commercial Taxes, Tribunal, Bihar
Demand for the F. Y. 2013-14 on account of denial of Input Tax Credit	71.65	The Commercial Taxes Tribunal,Bihar

Demand for the F.Y. 2014-15 on account of denial of Input Tax Credit	38.76	The Commercial Taxes Tribunal, Bihar
Demand for the F.Y. 2013-14 on account of suppressionof purchase turnover ignoring the actual facts	92.09	The Commercial Taxes Tribunal, Bihar
Outstanding Income Tax demand for the Financial Year 2016-17	1.46	Adjusted with refund of taxes for the A.Y. 2021-22 and Grievances submitted on Income Tax portal.
Demand for the period from 2014-15 to 2016-17 on account of non payment of Excise Duty and short payment of service Tax	243.47	CESTAT, Kolkata Appeal filed on 10th Feb'2023

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a)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 other borrowings or in the payment of interest thereon to any lender.

(b)The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(C) The company has not taken any Term Loan during the year, hence reporting on this clause not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable

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

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) To the best of our knowledge and belief and according to the information and explanations given to us no any whistle blower complaints received by the Company during the year (and upto the date of this report)

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(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) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) On the basis of our examination of the records and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not

applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable

(xvii) The Company has incurred cash losses of ₹ 188.56 Lakhs during the financial year covered by our audit and Rs. 1796.58 lakhs for the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) due to continuous losses. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.

For **Thakur Bhuwanesh and Associates**
Chartered Accountants
Firm Registration Number- 019690N

Sd/-
(CA. Rajesh Kumar Jha)
Partner
Membership Number- 412318
UDIN: 23412318BGWVVG6650

Place: Patna
Date: 5th May'2023

"ANNEXURE-C" TO THE INDEPENDENT AUDITORS' REPORT

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 reportof even date on standalone Ind AS financial statements of HPCL Biofuels Limited for the year ended on 31st March, 2023.

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

S.N.	Direction	Report	Impact
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implication, if any, may be stated.	The company has ERP system in place at HO and two plants (Sugauli and Lauriya) to process all the accounting transactions through IT system. However, the integration of the accounting data related to plants and HO are compiled manually at HO.	NIL
2	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (in case, lender is a Government company, then this direction is also applicable for Statutory auditor of lender company).	No restructuring of an existing loan or cases of waiver/ write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan.	NIL
3	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from central/ state government or its agencies were properly accounted for/ utilized as per its term & condition? List the cases of deviation.	Yes, funds (grants/subsidy etc.) received/ receivable for specific schemes from central/ state government or its agencies has been properly accounted for/ utilized as per its term & condition. No deviation has been found	NIL

For **Thakur Bhuwanesh and Associates**
Chartered Accountants
Firm Registration Number- 019690N

Sd/-
(CA. Rajesh Kumar Jha)
Partner
Membership Number- 412318
UDIN: 23412318BGWVVG6650

Place: Patna
Date: 5th May'2023

HPCL BIOFUELS LTD

CIN: U24290BR2009GOI014927

Balance Sheet as on 31st March ,2023

Amount in ₹ Lacs

Particulars	Note No.	As on 31st March 2023	As on 31st March 2022
		(Audited)	(Audited)
I ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	**3**	44,052.27	45,551.59
(b) Capital work in progress	**4**	131.13	747.39
(c) Other Intangible Assets	**3**	2.94	2.94
(d) Financial Assets			
(i) Investments		-	-
(ii) Long-Term Loans		-	-
(iii) Other Financial Assets	**5**	-	30.50
(f) Deferred Tax Assets (Net)		-	-
(g) Other Non-Current Assets	**6**	17.05	9.72
Current Assets			
(a) Inventories	**7**	22,623.56	16,443.60
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivable	**8**	176.09	27.56
(iii) Cash & Cash Equivalents	**9**	31.48	118.18
(iv) Short-Term Loans	**10**	2.53	2.53
(v) Others	**11**	7.89	14.55
(c) Current Tax Assets (Net)		-	-
(d) Other Current Assets	**12**	1,089.88	1,161.51
(e) Assets Held for Sale			
TOTAL		**68,134.82**	**64,110.07**
II EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity Share Capital	**13**	121,462.24	98,673.24
(b) Other Equity	**14**	(82,113.50)	(77,981.69)
2. Share Application Money Pending Allotment	**13**	-	-
3. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	**16**	-	10,326.16
(ia) Lease Liabilities	**16A**	2.94	11.28
(b) Provisions	**17**	584.91	526.17
(c) Deferred tax liabilities (net)		-	-
(d) Other non-current liabilities	**18**	2,442.32	2,563.40
4. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	**19**	11,442.70	20,768.08
(ia) Lease Liabilities	**19A**	9.96	9.96
(ii) Trade Payables :-			
(a) Total outstanding dues of micro & small enterprises	**20**	57.04	72.06
(b) Total outstanding dues of creditors other than micro & small enterprises	**20**	4,630.36	1,602.33
(iii) Other Financial Liabilities	**21**	3,587.06	3,292.53
(b) Other Current Liabilities	**22**	6,013.31	4,234.14
(c) Provisions	**23**	15.48	12.41
(d) Current tax liabilities (net)			
TOTAL		**68,134.82**	**64,110.07**

The accompanying notes are Integral Part of the Financial Statements

For and on behalf of the Board

As per our report of even date attached
For Thakur Bhuwanesh & Associates
Chartered Accountants

Sd/-
R Sridhar
Director
DIN-06749266

Sd/-
S Bharathan
Chairman
DIN-09561481

Sd/-
CA Rajesh Kumar Jha
Partner
Membership No. 412318
Firm's ICAI Reg.No. 019690N
Place :
Date : 3rd May, 2023

Sd/-
Prakash Kumar
Chief Financial Officer
PAN- AEWPK4643K

Sd/-
Pranay Kumar
Chief Executive Officer
PAN- AFGPK4512C

Sd/-
Heena Shah
Company Secretary
ACS-13736

HPCL BIOFUELS LTD

Statement of Profit and Loss for the Financial Year Ended 31st March,2023

Amount in ₹ Lacs

Particulars	Note No.	As on 31st March 2023 (Audited)	As on 31st March 2022 (Audited)
Income			
I. Revenue from Operations (Gross)	**24**	29,812.72	22,007.50
II. Other Income	**25**	448.29	272.03
Total Income (I+II)		**30,261.01**	**22,279.53**
Expenses			
Cost of Materials Consumed	**26**	27,884.18	15,741.87
Consumption of Stores & Consumables		637.40	515.84
Packing Expenses		358.03	177.46
Power & Fuels	**27**	426.52	637.13
Changes in Inventories of Finished Goods, WIP & Stock in Trade	**28**	(6,206.80)	440.04
Employee Benefits Expense	**29**	3,157.31	2,768.16
Chemicals Consumed		513.89	319.20
Finance Costs	**30**	2,648.57	2,293.77
Depreciation & Amortization Expense		2,830.55	2,820.99
Other Expenses	**31**	2,152.14	3,331.14
Total Expenses		**34,401.79**	**29,045.60**
Profit / (Loss) Before Exceptional Items and Tax		(4,140.78)	(6,766.07)
Exceptional Items			
Provision for Gain/(Loss) on Inventory Variation	**32**	-	71.10
Profit / (Loss) Before Tax		**(4,140.78)**	**(6,694.97)**
Tax Expense			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
Profit / (Loss) from Continuing Operations		**(4,140.78)**	**(6,694.97)**
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		**(4,140.78)**	**(6,694.97)**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		8.97	22.68
(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		8.97	22.68
Total Comprehensive Income for the period		**(4,131.81)**	**(6,672.29)**
Earnings Per Equity Share (Face Value of ₹10/- each) :-			
(1) Basic (Amount in ₹)		(0.34)	(0.68)
(2) Diluted (Amount in ₹)		(0.34)	(0.68)

The accompanying notes are Integral Part of the Financial Statements

As per our report of even date attached
For Thakur Bhuwanesh & Associates
Chartered Accountants

Sd/-
CA Rajesh Kumar Jha
Partner
Membership No. 412318
Firm's ICAI Reg.No. 019690N
Place :
Date : 3rd May, 2023

For and on behalf of the Board

Sd/-
R Sridhar
Director
DIN-06749266

Sd/-
S Bharathan
Chairman
DIN-09561481

Sd/-
Prakash Kumar
Chief Financial Officer
PAN- AEWPK4643K

Sd/-
Pranay Kumar
Chief Executive Officer
PAN- AFGPK4512C

Sd/-
Heena Shah
Company Secretary
ACS-13736

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR 2022-2023

1. CORPORATE INFORMATION

The Company (HPCL Biofuels Ltd or HBL) has been formed as a wholly owned subsidiary of M/s Hindustan Pe

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. <u>Property, Plant and Equipment</u>

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 const

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.

E. <u>Intangible assets</u>

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 a cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the

K. Employee benefits

Short-term employee benefits

Revenue from the sale of goods excludes any taxes 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, taxes and applicable trade discounts and allowances.

M. Taxes on income

Current Tax

Income-tax Assets and liabilities are measured at the amount expected to be recovered

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.

N. 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.

O. Financial Instruments

I) Financial Assets

Classification

The Company classifies financial assets as subsequently measured at amortized 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 recognized initially l (8(h)13( )61351g011(03.33 Tm0 g0 G[ )]TJETQq0.00000912 0 612 792 reW* nBT

the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Consolidated Statement of Profit and Loss.

P. 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

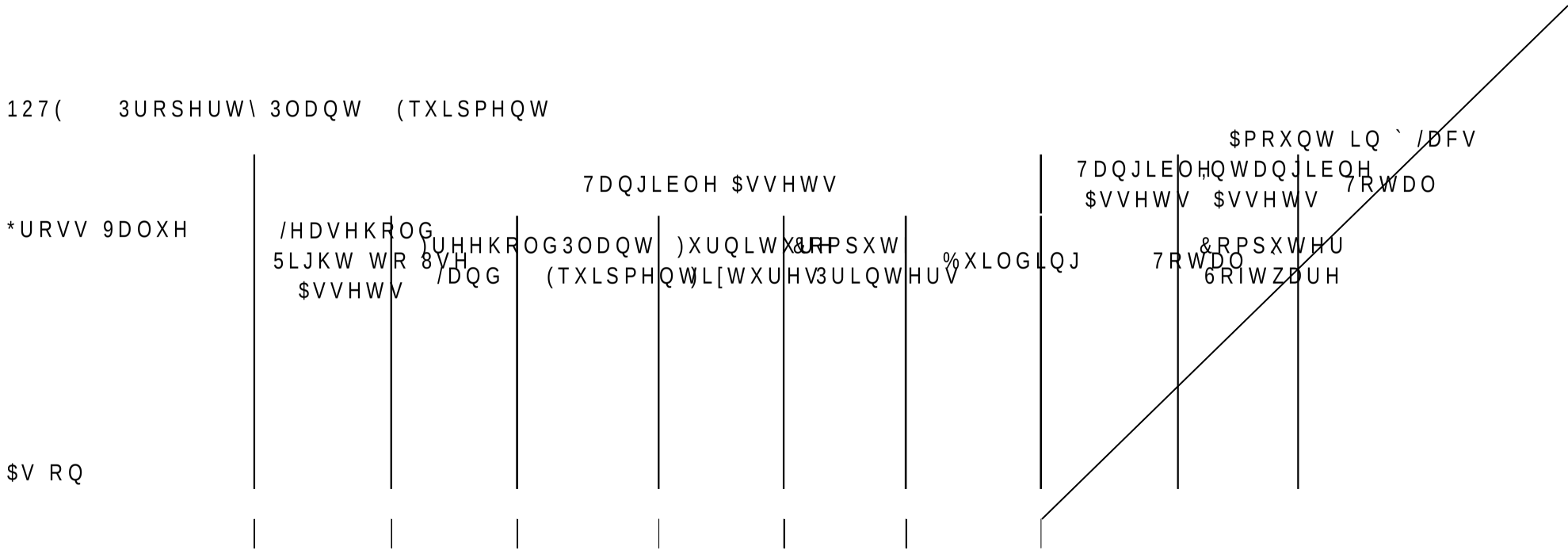
Q. Fair value Measurement

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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Particulars	No

Banks:

Amount in Lacs

98,673.24	0	98,673.24	22,789.00	1,21,462.24

97895.15	-	97,895.15	778.09	98,673.24

Balance at 1 April 2022					3,929.45	-	(81,911.14)								(77,981.69)
Changes in accounting policy or prior period errors					-	-	-								-
Restated balance as at 1 April 2022	-	-	-	-	3,929.45	-	(81,911.14)	-	-	-	-	-	-	-	(77,981.69)
Profit for the Year					-	-	(4,140.78)								(4,140.78)
Other comprehensive income for the Year					-	-	8.97								8.97
Dividends					-	-	-								-
Transfer to retained earnings					-	-	-								-
Any other change (to be specified)					-	-	-								-
Balance at 31st March, 2023	-	-	-	-	3,929.45	-	(86,042.95)	-	-	-	-	-	-	-	(82,113.50)

-

Balance at 1 April 2021					3,929.45		(75,238.85)					(71,309.40)
Changes in accounting policy or prior period errors							-					-
Restated balance as at 1 April 2021	-	-	-	-	3,929.45	-	(75,238.85)	-	-	-	-	(71,309.40)
Profit/(Loss) for the Year							(6,694.97)					(6,694.97)
Other comprehensive income for the Year							22.68					22.68
Dividends												-
Transfer to retained earnings												-
Any other change (to be specified)					-		-					-
Balance at 31st March 2022	-	-	-	-	3,929.45	-	(81,911.14)	-	-	-	-	(77,981.69)

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.

As per our report of even date attached
For Thakur Bhuwanesh & Associates
Chartered Accountants

Sd/-
R Sridhar
Director
DIN-06749266

Sd/-
S Bharathan
Chairman
DIN-09561481

Sd/-
CA Rajesh Kumar Jha
Partner
Membership No. 412318
Firm's ICAI Reg.No. 019690N
Place :
Date : 3rd May,2023

Sd/-
Prakash Kumar
Chief Financial Officer
PAN- AEWPK4643K

Sd/-
Pranay Kumar
Chief Executive Officer
PAN- AFGPK4512C

Sd/-
Heena Shah
Company Secretary
ACS-13736

Particulars	Note No.	As on 31st March 2023	As on 31st March 2022
Other Equity	14		
Capital Reserve		3,929.45	3,929.45
Total		**3,929.45**	**3,929.45**
Capital Grant		-	-
Surplus / (Deficit) in Statement of Profit and Loss			
Opening Balance		(81,911.14)	(75,238.85)
Add: Conversion Impact of Preference share to Equity		-	-
Add: Profit / (Loss) for the Year		(4,131.81)	(6,672.29)
Closing Balance		**(86,042.95)**	**(81,911.14)**
Other Reserve		-	-
Total		**(82,113.50)**	**(77,981.69)**
Long-Term Borrowings	16		
Secured Loans (Against Hypothecation of Fixed & Current Assets)			
Bank Term Loan			-
Less: Installment payable in 2022-23		-	-
GOB Soft Loan		-	-
Less: Installment payable in 2022-23		-	-
Total (A)		**-**	**-**
Un-Secured Loans			
Loans & Advances from Related Parties :			
1. Working Capital Loan from HPCL 2020-21 repayable from March 2022 in 13 installments		-	15,326.16
Less: Installments due within 1 year		-	(5,000.00)
Total (A+B)		**-**	**10,326.16**
Non Current Financial Liabilities	16A		
Lease Liability for HBL HQO		2.94	11.28
Total		**2.94**	**11.28**
-14 for plant and HHT Subsidy received has been			
treated in accordance with the INDAS 20)			
Deferred Lease Rental Premium		1,378.72	1,409.47
Total		**2,442.32**	**2,563.40**
Short Term Borrowings	19		
Secured Loans			
Cash Credit (Hypothecation of Debtors & Inventory)		11,442.70	9,768.08
(Rate of Interest @ 6 month MCLR+0.85% Fixed Spread)			
Overdrafts from Banks (Secured by Hypothecation of Stock-in-Trade)		-	-
Un-Secured Loans			
Loans & Advances taken from Related Party HPCL in FY 2021-22		-	6,000.00
Current Maturities of Long Term Debt		-	-
-Bank Term Loan		-	-
-HPCL Working Capital Loan 2020-21		-	5,000.00
Total		**11,442.70**	**20,768.08**
Current Financial Liabilities :			
Lease Liability for HBL HQO(Due in next 12 months)	19A	9.96	9.96
Total		**9.96**	**9.96**
Trade Payables	20		
(i) Total Outstanding dues of Micro, Small & Medium Enterprises		57.04	72.06
(ii) Total outstanding dues of creditors other than above Creditors			
Accrued Expense - Payable		555.81	764.65
Payable to Cane Growers		3,377.08	61.84
Payable to Trade Vendors		697.47	775.84
Total		**4,687.40**	**1,674.39**
Trade Payables Ageing Schedule :			
Particulars			
(i) Undisputed :			
(a) MSME			
- Unbilled		-	-
- Not Due		-	-
- Less than 1 year		56.53	66.48
- 1 to 2 years		0.31	2.62
- 2 to 3 years		0.20	2.42
- More than 3 years		-	0.54
Sub - Total		**57.04**	**72.06**

Particulars	Note No.	As on 31st March 2023	As on 31st March 2022
(b) Others			
- Unbilled		555.81	509.80
- Not Due		-	254.86
- Less than 1 year		3,971.39	716.99
- 1 to 2 years		30.75	21.25
- 2 to 3 years		7.42	22.90
- More than 3 years		64.99	76.53
Sub - Total		**4,630.36**	**1,602.33**
(ii) Disputed :		-	-
(a) MSME		-	-
- Unbilled		-	-
- Not Due		-	-
- Less than 1 year		-	-
- 1 to 2 years		-	-
- 2 to 3 years		-	-
- More than 3 years		-	-
(b) Others		-	-
- Unbilled		-	-
- Not Due		-	-
- Less than 1 year		-	-
- 1 to 2 years		-	-
- 2 to 3 years		-	-
- More than 3 years		-	-
Other Current Financial Liabilities	**21**		
Deputation Expenses Payable to HPCL		2,730.67	2,341.04
Payable to Contractor/Vendor (Capital Assets)		42.14	49.38
Retention from Vendors		160.77	237.59
Security Deposit from Contractors		355.29	162.43
Accrued Liability-EPCC Vendor		2.19	-
Unclaimed Cheque		10.43	10.43
Interest Accrued but not due		-	186.74
Payable To Employee		285.57	304.92
Total		**3,587.06**	**3,292.53**
Other Current Liabilities	**22**		
TDS Payable		28.86	38.77
SGST Payable		77.16	26.97
CGST/IGST Payable		142.24	26.64
Payable to Zone Development Council		-	29.42
PF Contribution Employee		29.20	13.93
Payable To Govt (Others)		-	-
Deferred Lease Rental Premium Current		30.75	30.75
Advance From Customers		5,614.78	3,977.34
Deferred government grant		90.32	90.32
Total		**6,013.31**	**4,234.14**
Short-Term Provisions	**23**		
Provision for Other Employee Benefits		15.48	12.41
Total		**15.48**	**12.41**
Revenue from Operations	**24**		
Gross Sales			
Sale of Products		29,778.09	21,647.29
Other Operating Income		34.63	360.21
Recovery under Subsidy Schemes		-	-
Total		**29,812.72**	**22,007.50**
Other Income	**25**		
Rent Recoveries		38.37	30.75
Interest (Gross) On Others		11.86	2.63
Liabilities No Longer Payable		182.69	-
Miscellaneous Income		215.37	238.65
Total		**448.29**	**272.03**
Cost of Materials Consumed	**26**		
Cane Purchase		27,348.73	15,481.84
Cane Transportation		311.34	136.30
ZDC Commission		54.50	30.96
Cane-Other Procurement Cost		169.61	92.77
Total		**27,884.18**	**15,741.87**

33. Segment Reporting

The 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.

Amount (in Lacs)

SI. No.	Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
1	**Segment Revenue**	**₹**	**₹**
	a) Sugar	34,053.91	20,474.47
	b) Ethanol	4,908.96	6,131.31
	c) Co-Gen	9,471.13	5,740.18
	d) Unallocated	534.62	572.20
	Total	48,968.62	32,918.16
	Less: Inter Segment	18,707.61	10,638.63
	Net Segment Revenue	30,261.01	22,279.53
2	**Segment Results**		
	a) Sugar	(1,374.79)	(4,087.21)
	b) Ethanol	93.46	563.93
	c) Co-Gen	(257.65)	(794.57)
	d) Unallocated	46.77	(83.35)
	Total	(1,492.21)	(4,401.20)
	Less: Interest	2,648.57	2,293.77
	Less: Other Unallocabale Exp.	-	-
	Total Profit After Tax	(4,140.78)	(6,694.97)
3	**Segment Assets**		
	a) Sugar	34,232.15	34,636.40
	b) Ethanol	12,806.63	7,862.05
	c) Co-Gen	13,276.65	14,927.26
	d) Unallocated	7,819.48	7,758.63
	Total	68,134.82	65,184.34
4	**Segment Liability**		
	a) Sugar	14,636.15	37,769.00

	b) Ethanol	9,385.83	524.28
	c) Co-Gen	4,402.04	1,019.61
	d) Unallocated	362.05	5,179.90
	Total	28,786.07	44,492.79
5	Capital Employed [Segment Assets-Segment Liability]	39,348.75	20,691.55
6	**Capital Expenditure incl. Change in CWIP**		
	a) Sugar	141.51	-
	b) Ethanol	348.77	619.75
	c) Co-Gen	114.83	-
	d) Unallocated	174.93	127.64
	Total	780.04	747.39
7	**Depreciation**		
	a) Sugar	1,154.92	1,131.07
	b) Ethanol	450.60	428.24
	c) Co-Gen	943.70	939.00
	d) Unallocated	281.32	322.68
	Total	2,830.54	2,820.99
8	Non Cash Expenditure Other Than Depreciation	1,242.75	825.50

Other Disclosures:

2. Segments have been identified in line with the Indian Accounting Standard (Ind AS) 108 "Operating Segment" taking into account the organisation 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.

34. DEFERRED TAX LIABILITY FOR THE YEAR ENDED MARCH 31, 2023

Sl No	Timing differences	Amount (₹ in Lacs)	DTA @ 26%	DTL @ 26%
1	**Differences in Book & Tax Depreciation**			
	WDV as per books of accounts as at March 31,2023	44,055.21		
	Less : WDV as per Income Tax Act as at March 31,2023	11,026.01		
	Difference (If WDV as per IT is more than the WDV as per books then DTA is created, othrwise DTL)	(33,029.28)		8,587.61
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 finacial institution or schedule bank			
3	Assets acquired for secientific 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	Expenditures disallowed for Payment of Penalty (Sec.37)	-		-
6	Losses available for set off	53,965.42	14,031.01	
	Total as on March 31,2023		**14,031.01**	**8,587.61**

	Net Deferred tax asset as on March 31,2023		5,443.40	-
	Net Deferred tax asset as on March 31 of the previous year		7,988.09	-
	Amount to be debited / (credited) to statement of profit and loss		-	-

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 recognized in the balance sheet and the movements in the net defined benefit obligation over the year in case of Gratuity is as follows:

(in Lacs)

Particulars	Gratuity (2022-23)	Gratuity (2021-22)
Present value of projected benefit obligation		
Present value of Benefit Obligation at the beginning of the period	420.19	374.60
Interest Cost	30.63	25.96
Current Service Cost	45.74	45.66
Benefit paid	(3.40)	(3.36)
Actuarial (gains)/ losses on obligations - due to change in demographic assumptions	0	0.016
Actuarial (gains)/ losses on obligations - due to change in financial assumptions	(13.58)	(22.74)
Actuarial (gains)/ losses on obligations - due to experience	4.60	0.05
Present value of Benefit Obligation at the end of the period	**484.20**	**420.19**
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	45.74	45.66
Net interest cost	30.63	25.96
Past Service Cost		
Total amount recognized in profit and loss account	**76.38**	**71.62**
Re-measurements		

Return on plan assets, excluding interest income		
(Gain)/loss from change in demographic assumptions	0	0.016
(Gain)/loss from change in financial assumptions	(13.58)	(22.74)
Experience (gains)/losses	4.60	0.05
Change in asset ceiling, excluding amounts included in interest expense		
Total amount recognized in other comprehensive income	**(8.98)**	**(22.69)**

Amount recognized in the Balance Sheet

(in Lacs)

Particulars	Gratuity (31st March 2023)	Gratuity (31st March 2022)
Present value of benefit obligation at the end of the period	(484.20)	(420.19)
Fair value of plan assets at the end of the period	0	0
Net Liability / (Asset) recognised in the Balance Sheet	(484.20)	(420.19)

Plan Assets:

Particulars	Gratuity (2022-23)	Gratuity (2021-22)
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

The significant actuarial assumptions were as follows:

Particulars	Gratuity (2022-23)	Gratuity (2021-22)
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.49%	7.29%
Rate of Salary Increase	7.00%	7.00%
Rate of Employee Turnover	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban
Mortality Rate After Employment	N.A.	N.A.

Sensitivity analysis:

(in Lacs)

Particulars	Gratuity (2022-23)	Gratuity (2021-22)
Delta effect of +1% Change in Rate of Discounting	(60.85)	(55.49)
Delta effect of -1% Change in Rate of Discounting	73.28	67.37
Delta effect of +1% Change in Rate of Salary Increase	72.90	66.89
Delta effect of -1% Change in Rate of Salary Increase	(61.63)	(56.10)
Delta effect of +1% Change in Rate of Employee Turnover	3.23	1.80
Delta effect of -1% Change in Rate of Employee Turnover	(3.70)	(2.07)

The expected maturity analysis of undiscounted benefits is as follows:

(in Lacs)

Particulars	Gratuity (2022-23)	Gratuity (2021-22)
Less than a year	12.42	9.67
Between 1 - 2 year	12.14	10.58
Between 2 - 5 year	46.13	37.72
Over 5 years	1571.65	1408.88
Total	**1,642.34**	**1,466.85**

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, 2023

(in Lacs)

	Carrying amount				Fair Value		
	FVT PL	FVT OCI	Amortized Cost	Total	Level 1	Level 2	Level 3
Financial assets							
Trade receivables			176.09	176.09			
Cash & Cash equivalents			31.48	31.48			
Short-term loans			2.53	2.53			
Other current financial assets			7.89	7.89			

Financial liabilities							
Cash Credit			11442.70	11442.70			
Lease Liabilities			12.90	12.90			
Trade payables			4687.40	4687.40			
HPCL WCL 2020-21			0.00	0.00		0.00	
Other current financial liabilities			3587.06	3587.06			

As at 31st March, 2022

(in Lacs)

	Carrying amount				Fair Value		
	FVT PL	**FVT OCI**	**Amortized Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**
Financial assets							
Trade receivables			27.56	27.56			
Cash & Cash equivalents			118.18	118.18			
Short-term loans			2.53	2.53			
Other current financial assets			14.55	14.55			
Financial liabilities							
Cash credit			9,768.09	9,768.09			
Lease Liabilities			21.24	21.24			
Trade payables			1674.39	1674.39			
HPCL WCL 2020-21			15,326.16	15,326.16		15,326.16	
Other current financial liabilities			3292.53	3292.53			

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
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, trade, and other receivables, which the Company minimizes such risk by dealing exclusively with high credit rating counterparties.

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 2023

(in Lacs)

Particulars	1 year or less	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings and estimated interest payable thereon	11442.70	0	0	0	11442.70
Trade payables	4687.40	0	0	0	4687.40
Other financial liabilities	3587.06	0	0	0	3587.06
Total undiscounted financial liabilities	**19717.06**	**0**	**0**	**0**	**19717.06**

As at 31st March 2022

(in Lacs)

Particulars	1 year or less	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings and estimated interest payable thereon	15291.83	11994.41	0	0	27286.24
Trade payables	1674.39	0	0	0	1674.39
Other financial liabilities	3292.53	0	0	0	3292.53
Total undiscounted financial liabilities	**20258.75**	**11994.41**	**0**	**0**	**32253.16**

39. Interest rate risk

The Company had 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 interest-bearing financial instruments as reported to the management of the Company is as follows.

(in Lacs)

Particulars	Carrying amount	
	31-Mar-23	31-Mar-22
Variable rate borrowings	11442.70	31094.24
Fixed rate borrowings		
Total borrowings	11442.70	31094.24

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	
Particulars	100 bp increase	100 bp decrease
31st March 2023	114.43	(114.43)
31st March 2022	322.68	(322.68)

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 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 2023 and 31st March 2022.

41. Lease Hold Land

Leasehold Land is being amortized over a period of 60 years on SLM basis. 150.45 Lacs has been amortized for the year 2022-23 (P.Y.21-22 - 150.48 Lacs). The details of leasehold land (location wise) is as follows-

Unit wise Leasehold Land	Lauriya Unit	Sugauli Unit	Total
Farm Area (Acres)	139.16	199.40	338.56
Plant Area (Acres)	56.94	87.97	144.91
Total Leasehold Land (Acres)	196.10	287.37	483.47
Total Leasehold Land Limited to (Acres)	195.44	287.37	482.81

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 482.81acres of land taken on lease from Govt of Bihar, an area of 32.78 acre of land is not under physical 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 FY 17-18, 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 is 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. Further, we have given a small piece of land admeasuring 1,600 sqmtr, which is part of Sugauli Plant premises to HPCL Begusarai RRO for outlet, which is up, and running since Sep 2013. Since Lease Agreement not yet finalized, provision of 11,59,590 appearing i made in FY 2022-23 on account of uncertainity.

43. Plant Capacity

Sl. No.	Plant Name	Capacity (Sugauli)	Capacity (Lauriya)
1	Sugar Plant	3,500 TCD	3,500 TCD
2	Ethanol Plant	60 KLPD	60 KLPD
3	Co-gen 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 is valued at estimated realisable rate.

46. 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.

47. 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 2023 is 11806 Nos and on 31st March 2022 was 4358 Nos.

48. Micro, Small & Medium Creditors

To the extent Micro, Small and Medium Enterprises have been identified, the outstanding balance, if any, as at Balance Sheet date is disclosed on which Auditors have relied upon.

(In Lacs)

Sr	Particulars	2022-23	2021-22
1.	Amounts payable to "suppliers" under MSMED Act, as on 31.03.23: -	57.04	72.06
	- Principal	57.04	72.06
	- Interest	-	-
2.	Amounts paid to "suppliers" u appointed day during F.Y.2021–22 (irrespective of whether it pertains to current year or earlier years) –	-	-
	- Principal	-	-
	- Interest	-	-
3.	Amount of interest due / payable on delayed principal which has already been paid during the current year (without interest or with part interest)	-	-
4.	Amount accrued and remaining unpaid at the end of Accounting Year	-	-
5.	Amount of interest which is due and payable, which is carried forward from last year	-	-

49. Secured Loan

Working capital loan is from State Bank of India with interest @ 6 month MCLR + 0.85% fixed spread, and the limit is 12,500 Lacs. The working capital loan is secured by hypothecation of Stocks & Debtors of the company. The Working Capital Loan balance as on 31.03.2023 was 11,442.70 Lacs (9,768.08 Lacs as on 31.03.2022).

50. Provision for Gratuity & Leave Encashment

Provision for gratuity of 484.20 Lacs (P.Y. 21-22 410.52 Lacs) has been made towards retirement benefits for employees during the year based on Actuarial Valuation as of 31.3.2023. Provision for Leave Encashment of 116.19 Lacs (P.Y.21-22 115.65 Lacs) has been made based on Actuarial Valuation as of 31.03.2023.

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).

51. 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.34).**

52. 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 recognized once the electricity has been delivered to the customer and is measured through meter.

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

53. Provision for inventory variation

The company is conducting regular physical verification of inventory. The inventory variation provision is C.Y 0.00 Lacs (P.Y. 71.10 Lacs).

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

(in Lacs)

Sr	Description	2022-23	2021-22
A.	Estimated amount of contracts remaining to be executed on capital account not provided for.	214.33	281.31
B.	**Claims against the company not acknowledged as debts**		
	*Wrong disallowance of Input Tax Credit claimed on capital goods for 2010-11.	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)	68.12	68.12
	Erroneous demand for 2012-13 on account of denial of Input Tax Credit	93.81	93.81
	Erroneous demand for 2013-14 on account of denial of Input Tax Credit	71.65	71.65
	Erroneous demand for 2014-15 on account of denial of Input Tax Credit	38.76	38.76
	Erroneous demand for 2013-14 on account of suppression of purchase turnover ignoring the actual facts	92.09	92.09
	Erroneous Income Tax Demand for FY 16-17	1.46	1.46
	Claim by a vendor for outstanding payments of Bagasse.	10.14	10.14

	Appeal against Central Excise Audit of record from FY 2014-15 to FY 2016-17. Appeal is filed before CESTAT on 10th February,2023. Appeal Fee has been deposited and documents has been submitted.	243.47	0.00
C.	**Guarantees given to others**		
	Bank Guarantee given to the Bihar State Pollution Control Board as Security Deposit	30.50	70.00
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)	94.18	82.10
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

*The EPCC contract was placed for the setup of a new plant for which the company was eligible to get Commercial Input Tax Credit (ITC) of 6.98 Cr suffered by capital goods which was claimed as ITC in sales tax return in the year 2010-11 eligible for set-off of future VAT liabilities, but actually never adjusted. Department wrongly construed that since this ITC credit is shown as eligible in return, ITC benefit must have been availed by HBL and levied the demand of taxing the ITC at 100% tax rate which is inconsistent. After the demand was raised, an appeal was filed accordingly. Basis the sound legal footing, in considered view of the management and Expert, any provision is not required at this point of time. Being aggrieved by the order of Tax authority, appeal was filed in Bihar commercial Tax tribunal, which was turned down on ground of non-deposit of 20%, our appeal for restoration, fresh appeal is filed on 28th February, 2023 and the same is disclosed as a contingent liability in the above Note no. 54 of the audited accounts.

55. Related Party

Nature of relationship	**Name of related parties**
Promoters	Hindustan Petroleum Corporation Ltd
Key Management personnel	Shri Pranay Kumar(CEO) Shri J. Roychowdhury (CFO) Ms. Heena Shah (Co. Secretary)
Relative of key Management personnel	Nil

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

(in Lacs)

Nature of Transaction	2022-23	2021-22
Advance taken against supply of Ethanol	6535.00	7,423.00
Balance Ethanol Advance as on 31st March,2023	5613	3975.41
Interest Paid during the year to HPCL on Ethanol Advance	269.50	128.29
Sale of Ethanol to HPCL (Excl. In-Transit sales on 31.03.23 for 80.36 Lacs, P.Y. 204.03 Lacs)	5,163.44	6,434.91
Purchase of Lubes from HPCL *includes GST Amount	80.80*	29.80
Purchase of Sulphur from HPCL *includes GST Amount	71.66*	30.55
Working Capital Loan taken from HPCL	0.00	6000.00
Working Capital Loan balance as on 31.03.2023 (balance without Ind As impact: CY – 0.00 lacs, PY – 22500 lacs)	0.00	15,326.16
Conversion of Working Capital Loan into Equity	22500.00	0.00
Interest paid to HPCL on working Capital Loan	543.57	745.83
Manpower cost of employees on deputation and establishment expenses (Including GST)	425.72	439.73
Equity Infusion by HPCL(Other than the Loan Amount of Rs.22500 converted into Equity)	289.00	778.08
Payable to HPCL Corporate on account of Manpower Cost, Bridge Loan interest and Other Expenses	2,730.67	2,527.78
Payable on account of Lubes and Sulphur Purchases	4.49	0.00

57. Payment to Auditors

Expenses incurred towards statutory audit is as under:

(in Lacs)

Particulars	2022-23	2021-22
For Statutory Audit	1.50	1.50
For management services	0.00	0.00
For expenses	0.18	0.18
Total	**1.68**	**1.68**

58. Foreign Exchange Information

(in Lacs)

Sr	Particulars	2022-23	2021-22
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	27,884.18	15,741.87
	Spare Parts and components		
	Imported in %	Nil	Nil
	Imported in Value	Nil	Nil
	Indigenous in %	100%	100%
	Indigenous in Value	637.40	515.84
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

59. Advances to the Suppliers/Contractors

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.

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.

60. / /

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases, replacing the existing Standard Ind AS 17, to be effective from Accounting Period beginning with April 01, 2019. The adopti o n of St a n d a r d c a l l s f o r r e c o
Li a b i l i t y ' & ' Ri g h t t o Us e As s e t s ' , w h e r e v e r t h e t e r m
unless the underlying Asset is of low value.
The Company has used the following practical expedients:
1. Applying a single discount rate to a portfolio of leases with similar remaining lease term.
2. Not applying the transition requirements to leases for which the lease term ends within 12 months of the date of initial application i.e. April 01, 2019.

3. Not applying this Standard to contracts that were not previously identified to contain a lease element under erstwhile Ind AS 17.

A. Maturity Analysis of lease liabilities:

The amounts disclosed in the table below are the contractual undiscounted cash flow:

	(in Lacs)	(in Lacs)
	31.03.2023	**31.03.2022**
Less than one year	9.96	9.96
Between one and three years	4.98	14.94
More than three years	-	-
Total	**14.94**	**24.90**

B. Disclosures:	(in Lacs)	(in Lacs)
Particulars	**31.03.2023**	**31.03.2022**
a) Expense relating to short-term leases	-	
b) Expense relating to leases of low-value assets	-	
c) Expense relating to variable lease payments not included in the measurement of lease liabilities	-	
d) income from sub-leasing of 'right-of-use'	30.75	30.75
e) Interest expense on lease liabilities	1.63	3.03
f) Total cash outflow for leases	9.96	9.96

C. The following are the carrying values of Right of use ("ROU") assets:			(in Lacs)
	Class of Underlying Asset		
Particulars	**Land - Leasehold**	**Buildings**	**Total**
Gross Block	7,492.67	38.24	7,530.91
Additions/ Reclassifications			
Deductions/ Reclassifications			-
As on 31.03.2023	7,492.67	38.24	7,530.91
Depreciation/ Amortisation	451.38	19.40	470.78
For the year	150.45	7.65	158.10
Deductions/ Reclassifications			
As on 31.03.2023	**601.83**	**27.05**	**628.88**
Net Block as on 31.03.2023	**6890.84**	**11.19**	**6,902.03**

61. The Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

62. The Company has not carried out any revaluation of Property, Plant & Equipment and Intangible Assets.

63. The Company has not carried out transactions relating to Loans or advances in the nature of loans to Promoters, Directors, KMPs and Related Parties.

64. The company is not holding any benami properties.

65. The company has not been declared Wilful defaulter by any bank or financial institution.

66. Relationship with Struck Off Companies

Name of the Struck off Company	**Nature of Transaction for the period ended**	**Balance O/s as on** (in lakhs)		**Relationship, if any**
		31.03.2023	**31.03.2022**	
Sri Venkateswara Global Trading Pvt Ltd	Investment in Securities			
	Receivables			
	Payables			
	Shares held by Struck off Company			
	Other O/s (to be specified)- Others Receivable	1376.00	1376.00	None

Other Current Financial Assets included a sum of 13.86 crores towards the value of subsidy amount which was to be received from Government of India under Maximum Admissible Export Quotas (MAEQ) for the year 2019-20. To get the benefit of the scheme, the company entered into an agreement with M/s Shri Venkateswara Global Trading Pvt. Ltd. on 30th day of December 2019. As per agreement done with the party a quantity of 13266 MT of sugar was to be exported by merchant. As per agreement, all of the papers relating to export claim documents should have been submitted by the merchant within 30 days after the issuance of the invoice but not later than 90 days after dispatch of the first consignment from the company. Against this a sum of Rs.13.86 crores of subsidy was to be received from Government of India. The dispatch of sugar started from 01.01.2020 and was completed on 04.03.2020.The required documents should have been submitted by 01.04.2020.However, no documents have been submitted till date and company has taken legal recourse for recovery. EOU is taking cognizance of the case but the party remain untraceable and realisation of amount is doubtful. According necessary provision of 13.76 crores after adjusting EMD of 0.10 FY 2021-22 is the books of accounts after taking appropriate approvals.

67. Financial Ratios

S.No.	Particulars	March 31,2023	March 31,2022	% change	Explanation where% Change is greater than 25%
(a)	Current Ratio (Current Assets/Current Liabilities)	0.93	0.59	56.84%	Current Ratio has increased mainly due to increase in valuation of inventories
(b)	Debt-Equity Ratio Borrowings (Long Term + Short Term) / Equity	0.29	0.32	-9.12%	
(c)	Debt Service Coverage Ratio (Profit after tax + Finance cost + Depreciation) / (Finance cost Paid + Principal Repayment (Long term borrowing and Lease Liabilities)	0.90	(1.07)	-184.42%	Debt Service Coverage Ratio has increased due to increase in EBIDTA
(d)	Return on Equity Ratio (Profit after tax / Average Equity)	(0.14)	(0.07)	97.05%	Decrease is due to decrease in loss and increase in Equity on account of conversion of 225 crore loan into Equity
(e)	Inventory turnover ratio (Sale of Product / Average Inventory)	1.53	1.33	14.75%	
(f)	Trade Receivables turnover ratio (Sale of Product / Average Trade Receivables)	292.78	225.49	29.85%	Increase is due to increase in revenue from operations
(g)	Trade payables turnover ratio (Purchases of Stock in trade and Raw Materials & Packages + Other Expenses / Average Trade Payables)	9.36	3.51	167.07%	Increase in Trade Payables turnover ratio is due to increase in raw material purchased during the year in comparison to previous year
(h)	Net capital turnover ratio (Sale of Product / Average Working Capital)	(4.24)	(2.56)	66.03%	Decrease in Net Capital Turnover ratio is due to reason that in previous year Current Liability increased on account of 60crores working capital loan and Current Assets decreased
(i)	Net profit ratio (Profit after Tax / Revenue from Operations)	(0.14)	(0.30)	-54.34%	Net Profit ratio increased due to decrease in net loss during the year in comparison to last year
(j)	Return on Capital employed (Profit before exceptional item, interest and tax / Average Capital Employed) Average Capital Employed = Net Worth + Total Debt	(0.03)	(0.07)	-58.03%	Return on Capital Employed increased due to conversion of 225 crores Working Capital Loan into Equity and decrease in net loss
(k)	Return on investment ((Closing Balance + Interest + Dividend - opening balance +/- Cash Flows during the Period) / Average Investments)	-	-	0.00	No investment made during the year

There are no unrecorded transactions, which have been surrendered or disclosed as Income during the year in the tax assessments under the Income tax act, 1961.

68. Title deeds of immovable property are held in the name of the company.

69. No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, wh that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner

Whatsoever by or on behalf of the Company ("Ultimate Bene guarantee, security or the like on behalf of the Ultimate Beneficiaries

70. No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Par provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

71. Since the company does not have average net profits as contemplated under section 135 for CSR expenditure, no CSR expenditure have been incurred during the year. Therefore no disclosure is made on account of CSR expenditure.

72. The company has not entered into any trading or investing in Crypto Currency or Virtual Currency during the year.
.

73. Other disclosures of schedule III, if any not applicable.

74. <u>Threshold limits adopted in respect of financial statements is given below: -</u>

Threshold item	**Unit of measurement**	**Threshold limits**
Income/expenditure pertaining to prior year (s)	In Lacs	100.00
Prepaid expenses	In Lacs	5.00
Capitalisation of Spares(per item) meeting the definition of Property, Plant and Equipment as per Ind AS 16	In Lacs	5.00

75. Previous year figures

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

76. 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 attached

For Thakur Bhuwanesh & Associates
Chartered Accountants

Sd/-
CA Rajesh Kumar Jha
Partner
Membership No. 412318
Firm Registration No. 019690N

For and on behalf of the Board

Sd/-
S Bharathan
Chairman
DIN: 09561481

Sd/-
R Sridhar
Director
DIN-06749266

Sd/-
Prakash Kumar
Chief Financial Officer
PAN: AEWPK4643K

Sd/-
Pranay Kumar
Chief Executive Officer
PAN: AFGPK4512C

Sd/-
Heena Shah
Company Secretary
ACS-13736

Place:

Date: 3rd May, 2023

HPCL BIOFUELS LTD

CIN: U24290BR2009GOI014927

Cash Flow Statement For The Financial Year Ended 31st March, 2023

Amount in ₹ Lacs

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
	(Audited)	(Audited)
A. Cash Flow From Operating Activities		
Net Profit/(Loss) Before Tax	**(4,140.78)**	**(6,694.97)**
Adjustments to Reconcile Profit Before tax to net cash used in operating activities:		
Depreciation of Property, Plant and Equipment	2,672.44	2,662.89
(Gain)/loss on sale/disposal of property, plant and equipment	47.36	-
Amortisation of Capital Grant	(90.32)	(90.32)
Amortisation of Lease Premium	158.10	158.10
Deferred Lease Rental Income	(30.75)	(30.75)
Finance Costs	2,648.57	2,293.77
Provision for Doubtful Debts & Receivables	21.55	1,376.00
Operating Profit before Changes in Assets & Liabilities {Sub Total - (i)}	**1,286.17**	**(325.28)**
(Increase) / Decrease in Assets and Liabilities :		
Trade Receivables	(148.53)	140.08
Loans and Advances and Other Assets	79.90	461.39
Inventories	(6,179.97)	308.60
Liabilites and Other Payables	5,149.15	(5,736.47)
Sub Total - (ii)	**(1,099.45)**	**(4,826.40)**
Cash Generated from Operations (i) + (ii)	**186.72**	**(5,151.68)**
Less : Direct Taxes / refund / (paid) - Net	**-**	**-**
Net Cash from Operating Activities (A)	**186.72**	**(5,151.68)**
B. Cash Flow From Investing Activities		
Purchase of Property, Plant & Equipment (incl. Capital Work in Progress)	(780.04)	(875.61)
Sale of Property, Plant & Equipment	17.74	-
Other Non- Current Financial Assets	-	-
Other Non- Current Assets	-	-
Net Cash Flow generated from / (used in) Investing Activities (B)	**(762.30)**	**(875.61)**
C. Cash Flow From Financing Activities		
Long term Provisions	-	55.57
Long term Loans raised/(repaid)	-	-
Fresh Equity Infusion during the period	289.00	778.09
Short term Loans raised / (repaid)	1,674.61	6,740.06
Finance Cost paid	(1,474.73)	(1,471.30)
Net Cash Flow generated from / (used in) Financing Activities (C)	**488.88**	**6,102.42**
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	**(86.70)**	**75.13**
Cash and cash equivalents at the beginning of the year	**118.18**	**43.05**
Cash and cash equivalents at the end of the year	**31.48**	**118.18**
Detals of cash and cash equivalents at the end of the year:		
Cash and cash equivalents as on	**31-Mar-23**	**31-Mar-22**
Balances with Banks:		
- on current accounts and other bank balances	**31.48**	**118.18**
- on non-operative current accounts	-	-
Cash on hand	-	-
Less : Cash Credits	-	-
Cash and cash equivalents at the end of the year	**31.48**	**118.18**

As per our report of even date attached
For Thakur Bhuwanesh & Associates
Chartered Accountants

Sd/-
CA Rajesh Kumar Jha
Partner
Membership No. 412318
Firm's ICAI Reg.No. 019690N
Place :
Date : 3rd May, 2023

Sd/-
Prakash Kumar
Chief Financial Officer
PAN- AEWPK4643K

For and on behalf of the Board

Sd/-
R Sridhar
Director
DIN-06749266

Sd/-
S Bharathan
Chairman
DIN-09561481

Sd/-
Pranay Kumar
Chief Executive Officer
PAN- AFGPK4512C

Sd/-
Heena Shah
Company Secretary
ACS-13736