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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CREDA- HPCL BIOFUEL LIMITED

Report on the Financial Statements for the year ended 31st March, 2016

We have audited the accompanying financial statements of CREDA-HPCL Biofuel Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the 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 judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2016, and its profit/loss and its cash flows for the year ended on that date.

Emphasis of matter

We draw attention to Note No. 2, 26 and 33 of the Financial Statements which explains that all the business activities of the company have been suspended and entire Capital Work in Progress (Plantation Activity) and plantation related assets of Rs.7,67,61,482 have been written off. Accordingly, the Financial Statements have been prepared on a basis other than Going Concern.

Our Opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as issued by Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 (18 of 2013) we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- (e) The Going Concern matter described in Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operative effectiveness of such controls, refer to our separate Report in Annexure 'B'.
- (h) 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 does not have any pending litigations which would impact its financial position.
 - ii. As represented by the Company, there are no long-term contracts including derivative contracts having material foreseeable losses.
 - iii. As represented by the Company, there is no amount required to be transferred to Investor Education and Protection Fund by the Company.
- (i) Based on the verification of records of the Company and based on information and explanation given to us, we give below a report on the directions issued by the Comptroller and Auditor-General of India in terms of Section 143(5) of the Act as under:
- i. The Company does not have any freehold and leasehold land.
 - ii. There are no cases of waiver/write off of debts/loans/interest etc.
 - iii. There are no inventories lying with third parties and no assets received as gift/grants from Government or other authorities.

Place – Mumbai
Date – 09/05/2016



For, JAIN & AGRAWAL
CHARTERED ACCOUNTANTS
FRN.-000727C

A handwritten signature in blue ink, appearing to read "Naresh Kumar Agrawal".

(Naresh Kumar Agrawal)
Partner
M.No.072709

ANNEXURE A TO THE AUDITOR'S REPORT

[Referred to in paragraph pertaining to "Report on Other Legal and Regulatory Requirement" of our Report of even date to the members of CREDA- HPCL Biofuel Limited on the financial Statements for the year ended 31st March, 2016]

1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) The company does not have any freehold or lease hold land or other immovable properties. The company only has permission to use land leased to CREDA by Government of Chhattisgarh.
2. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

(b) On the basis of our examination of inventory records, in our opinion, the company is maintaining proper records of inventory and there is no material discrepancies noticed on physical verification of inventory. Further, as on 31/03/2016, the company has 'NIL' inventory.
3. The company has not granted any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under-section 189 of the Companies Act, 2013.
4. The company has not granted any loans, guarantees and security or made investments under section 185 and 186 of the Act.
5. The company has not accepted any deposits from the public, within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
6. We have been informed that the Central Government has not prescribed maintenance of cost records under sub-section (l) of section 148 of the Act.
7. (a) According to the information and explanation given to us and records of the company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2016.

(b) According to the information and explanation given to us and records of the company examined by us, there are no dues of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax as at 31st March, 2016, which has not been deposited on account of dispute.



8. The Company has not taken any loan from Financial Institution or Bank or Government nor raised any fund through debentures. Hence this clause is not applicable to the company.
9. The Company has not raised any Initial Public Offer or further public offer and not obtained any term loan.
10. Based upon the audit procedures performed and information and explanations given by the management we report that we have not come across any instances of fraud by the company or any fraud on the company by its Officers or employees, that have been noticed or reported during the year, nor have we been informed of such case by management.
11. The company is a Government Company hence the provisions of section 197 read with Schedule V of the Companies Act, 2013 relating to Managerial Remuneration are not applicable.
12. The company is not a Chit Fund Company/or Nidhi/mutual benefit fund/society.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year.
15. The company has not entered into any non-cash transactions covered by sections 192 of Companies Act, 2013 with directors or persons connected with him.
16. The company is not engaged in the business of non-banking financial institution (NBFI) and not required to obtain a Certificate of Registration (CoR) from Reserve Bank of India to commence/carry on business of NBFI in terms of Section 45-1A of the RBI Act, 1934.

For, JAIN & AGRAWAL
CHARTERED ACCOUNTANTS
FRN.-000727C



(Naresh Kumar Agrawal)
Partner
M.No.072709

Place – Mumbai
Date – 09/05/2016

ANNEXURE B TO THE AUDITOR'S REPORT

[Referred to in paragraph pertaining to "Report on Other Legal and Regulatory Requirement" of our Report of even date to the members of CREDA- HPCL Biofuel Limited on the financial Statements for the year ended 31st March, 2016]

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

We have audited the internal financial controls over financial reporting of CREDA-HPCL Biofuel Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone 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 (IFCOFR) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 my /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.

Inherent Limitations of Internal Financial Controls over Financial Reporting


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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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, JAIN & AGRAWAL
CHARTERED ACCOUNTANTS
FRN.-000727C




(Naresh Kumar Agrawal)
Partner
M.No.072709

Place – Mumbai
Date – 09/05/2016



CREDA-HPCL BIOFUEL LTD.
Balance Sheet as at 31st March, 2016

(Amount in ₹)

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	217,564,910	217,564,910
(b) Reserves and Surplus	4	(179,849,688)	(108,376,209)
(c) Money received against Share Warrants		-	-
		37,715,222	109,188,701
2 Non-Current Liabilities			
(a) Long-Term Borrowings	5	-	-
(b) Deferred Tax Liability (Net)	31	-	-
(c) Other Long Term Liabilities	6	-	-
(d) Long-Term Provisions		-	-
		-	-
3 Current Liabilities			
(a) Short-Term Borrowings	7	-	-
(b) Trade payables -	8	-	-
Total Outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(c) Other Current Liabilities	9	20,218,950	24,744,278
(d) Short-Term Provisions	10	-	1,358,203
		20,218,950	26,102,481
TOTAL		57,934,172	135,291,182
B ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	9,585	2,458,447
(ii) Intangible Assets	12	675	675
(iii) Capital Work in Progress	13 & 26	-	75,605,381
(b) Non-current Investments		-	-
(c) Deferred Tax assets (net)		-	-
(d) Long term Loans & Advances	14	56,566,880	56,566,880
		56,577,140	134,631,383
2 Current Assets			
(a) Current Investments		-	-
(b) Inventories	15	-	2,714
(c) Trade Receivables	16	-	2,717
(d) Cash and Cash Equivalents	17	323,517	158,573
(e) Short Term Loans and Advances	18	1,033,515	495,795
(f) Other Current Assets		-	-
		1,357,032	659,799
TOTAL		57,934,172	135,291,182

Statement of Significant Accounting Policies and Notes Forming Part of Accounts are an integral part of the Financial Statements

As per our report of Even Date

For, Jain & Agrawal

Chartered Accountants

FRN.-000727C

(N.K.Agrawal)

Partner

M.No. 072709

Place : Mumbai

Date : 09/05/2016



For and on behalf of the Board

(J.Ramaswamy)

Director

(M.Somasundar)



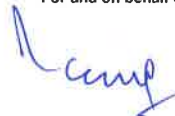


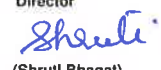
Manager

(S.K.Shukla)

Director

(Shruti Bhagat)

Company Secretary

		CREDA-HPCL BIOFUEL LTD.		
		Statement of Profit and Loss for the year ended March 31, 2016		
		(Amount in ₹)		
Particulars		Note No.	For the year ended on 31st March, 2016	For the year ended on 31st March, 2015
A	Continuing Operations			
1	Revenue from operations (gross)	19		1,782,274
	Less: Excise Duty			
	Revenue from operations (net)			1,782,274
2	Other income	20	89,670	284,729
3	Total Revenue (1+2)	Total	89,670	2,067,003
4	Expenses			
	(a) Cost of Material Consumed	21		1,112,629
	(b) Purchases of Stock in Trade			
	(c) Changes in Inventories of finished goods, work-in progress and stock-in trade	22	2,714	652,886
	(d) Employee Benefits Expense	23	1,154,261	6,820,319
	(e) Finance Costs			
	(f) Depreciation and amortisation expense	24	204,000	401,759
	(g) Other Expenses	25	3,548,093	4,866,955
	Total Expenses		4,909,068	13,854,548
5	Profit/(Loss) before exceptional and extraordinary items and tax (3-4)		(4,819,398)	(11,787,545)
6	Exceptional Items	26 & 33	66,827,020	
	Prior Period Items	38	(172,939)	201,758
7	Profit/(Loss) before Extraordinary Items and tax (5 - 6)		(71,473,479)	(11,989,303)
8	Extraordinary Items			
	Write off of assets			38,442,483
9	Profit/(Loss) before tax (7-8)		(71,473,479)	(50,431,786)
10	Tax Expense:			
	(e) Deferred Tax	31		(198,619)
				(198,619)
11	Profit/(Loss) for the year (9-10)		(71,473,479)	(50,233,167)
12.i	Earning per share (of ₹ 10 each) - Total Equity shares issued by the company: 2,17,56,491			
	(a) Basic			
	(i) Continuing operations		(3.29)	(2.31)
	(i) Total operations		(3.29)	(2.31)
	(b) Diluted			
	(i) Continuing operations		(3.29)	(2.31)
	(i) Total operations		(3.29)	(2.31)
12.ii	Earning per share (excluding extraordinary items) (of ₹ 10 each)			
	(a) Basic			
	(i) Continuing operations		(3.29)	(0.54)
	(i) Total operations		(3.29)	(0.54)
	(b) Diluted			
	(i) Continuing operations		(3.29)	(0.54)
	(i) Total operations		(3.29)	(0.54)
	Summary of Significant Accounting Policies	2.1		
Statement of Significant Accounting Policies and Notes Forming Part of Accounts are an integral part of the Financial Statements				
As per our report of Even Date				
For, Jain & Agrawal				
Chartered Accountants				
FRN.-000727C				
				
(N.K. Agrawal)				
Partner				
M.No. 072709				
				
Place : Mumbai				
Date : 09/05/2016				
For and on behalf of the Board				
				
(J. Ramaswamy)				
Director				
				
(M. Somasundar)				
Manager				
				
(S.K. Shukla)				
Director				
				
(Shruti Bhagat)				
Company Secretary				

CREDA-HPCL BIOFUEL LIMITED
CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016

(Amount in ₹)

PARTICULARS	For the year ended 31st March, 2016	For the year ended 31st March, 2015
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before extraordinary items and tax	(71,473,479)	(11,989,303)
<u>Adjustments for:</u>		
Depreciation/Amortisation	204,000	401,759
Prior Period Depreciation Adjustment	(135,911)	
Write off of Capital Work in Progress	74,562,381	
Write off of Borewell CWIP	130,000	
Write off of Other assets	2,199,101	
Loss on sale of fixed assets	65,538	
Cash Assistance received from HPCL	(10,000,000)	
Interest and other Income	(89,670)	(284,729)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	66,935,439	117,030
	(4,538,040)	(11,872,273)
<u>Changes in Working Capital</u>		
<u>Adjustments for (increase)/decrease in operating assets</u>		
Inventories	2,714	1,402,202
Trade Receivables	2,717	(2,717)
Short Term Loans and Advances	(537,720)	197,849
Long Term Loans and Advances	-	-
Other current assets	-	-
<u>Adjustments for (increase)/(decrease) in operating liabilities</u>		
Trade Payables	-	(335,612)
Other current liabilities	(4,525,328)	(206,179)
Short term provisions	(1,358,203)	(154,797)
	(6,415,820)	900,746
Cash Flow from Extraordinary items		
Cash Generated from Operations	(10,953,860)	(10,971,527)
Net Income tax (paid)/refunds		197,849
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES	(10,953,860)	(11,169,376)
(B) CASH FROM INVESTING ACTIVITIES		
Purchase/Sale of Fixed Assets & Investments	1,029,134	(156,083)
Capital Work in Progress (Plantation Activity)		(11,081,427)
Cash Assistance received from HPCL	10,000,000	
Other Income Received	89,670	284,729
Cash Flow from Extraordinary Items		
Net Income tax (paid)/refunds		197,849
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	11,118,804	(10,754,932)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
1 Equity Shares Issued to CREDA		
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES	-	-
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	164,944	(21,924,308)
Cash equivalents at the end of the year	323,517	158,573
Cash equivalents at the beginning of the year	158,573	22,082,881

Notes:

1) The above Cash Flow statement has been prepared under the Indirect method set out in Accounting Standard - 3 specified under section 133 of the Companies Act, 2013.

2) Figures in brackets are outflows/deductions

3) Cash & Cash Equivalents represent Cash & Bank Balances (Refer 17)

Statement of Significant Accounting Policies and Notes Forming Part of

As per our report of Even Date

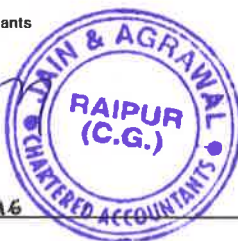
For, Jain & Agrawal

Chartered Accountants
FRN-000727C

(N.K.Agrawal)
Partner
M.No. 072709

Place : Mumbai

Date : 09/05/2016



For and on behalf of the Board

(J.Ramaswamy)
Director

(M.Somasunder)
Manager

(S.K.Shukla)
Director

(Shruti Bhagat)
Company Secretary



CREDA-HPCL BIOFUEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST
MARCH, 2016

1. Corporate Information

CREDA-HPCL Biofuel Limited (CHBL) was promoted as a joint venture company by Hindustan Petroleum Corporation Limited ('HPCL'), and Chhattisgarh State Renewable Energy Development Agency ('CREDA') for the plantation of jatropha on 15,000 hectares of leased land in the State of Chhattisgarh. Jatropha seeds are used for production of bio-diesel as a viable renewable source of energy.

2. Basis of preparation of significant accounting policies

The financial statements have been prepared under the historical cost convention on accrual basis in accordance with Generally Accepted Accounting Principles (GAAP), Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013.

During the year all Business activities of the company were suspended vide Board resolution dated 16/07/2015 and as a result the Financial Statements have not been prepared on the going concern basis. No material adjustments arose as a result of ceasing to apply the going concern basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year as explained below.

2.1 Summary of Significant Accounting Policies

(a) Change in accounting policy

Till last year expenses directly and indirectly attributable to cultivation and maintenance of jatropha plantation were transferred to Capital Work in Progress (Plantation Activity).

However, due to the suspension of Business activities, the same have not been transferred to Capital Work in Progress in the current year and are being charged to Statement of Profit & Loss.

Accordingly, a sum of ₹ 24,36,984/- on account of expenses directly and indirectly attributable to cultivation and maintenance have been charged to Statement of Profit & Loss.

(b) Depreciation

Depreciation is provided pro-rata to the period of use on daily basis, on Straight Line Method, based on estimated useful lives of the assets and those stipulated in Schedule II to the Companies Act, 2013. The assets are depreciated from the day they are 'ready to use'.



(c) Tangible and Intangible Assets

Tangible Assets are stated at historical cost. Accumulated depreciation is deducted at the rates of depreciation as stated in 2.1(b) above. Intangible Assets are accounted for at the consideration paid for acquisition and are carried out at cost less accumulated amortization and impairment loss, if any.

(d) Inventories

- i) Stock of plantation materials, jatropha seeds, Biofuel (Finished or semi finished) and Organic Manure are valued at cost or net realizable value whichever is lower
- ii) Standing crops at the beginning and at the end of the year is not valued as per the normal practice followed in the industry.

(e) Research & Development expenses

- i) Research & Development expenses incurred upto the development stage are capitalized and are written off over a period of five years from the year in which jatropha plants bear fruit.
- ii) All subsequent expenditure incurred towards research & development are written off in the year in which they are incurred.

(f) Retirement Benefits

Presently the manpower of the Company comprises of only personnel from HPCL on deputation basis.

(g) Sale of Products

Jatropha Seeds, Biofuel (Finished/Semi Finished) are sold at prices determined by the Board.

(h) Interest

Interest, both earnings as well as payments, are accrued in the books on mercantile basis.

(i) Foreign Currency Transactions

Foreign Currency transactions during the year are recorded at the exchange rates prevailing on the date of the transactions. All foreign currency assets, liabilities and forward contracts are restated at the rates prevailing at the year end.

(j) Government Grants/ Subsidy

Government grants if any received towards investment in plantation would be adjusted against the Plantation Development Expenditure.



(k) Taxes on Income

Current tax is determined on the basis of the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(l) Impairment of Assets

At each Balance Sheet date an assessment is made of whether there is any indication of impairment of assets. An impairment loss is recognised whenever the carrying amount of assets of cash generating units (CGU) exceeds their recoverable amount.

(m) Earnings per Share

Basic Earnings per Share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(n) Provisions

A provision is recognized when the company has a present obligation as a result of 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 obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.



CREDA-HPCL BIOFUEL LIMITED
Notes to financial Statements for the year ended 31st March, 2016

3. Share Capital

(Amount in ₹)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Authorised 20,00,00,000 equity shares of ₹10 each.	2,000,000,000	2,000,000,000
Issued, Subscribed and Fully Paid up 2,17,56,491 equity shares of ₹10 each	217,564,910	217,564,910

3.1 Rights and Restrictions on Equity Shares

The Company has only one class of Equity Shares having a face value of ₹ 10/- per share which are issued and subscribed. Each Shareholder is eligible for one vote per share held. In the event of the winding up of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held by the shareholders and the amount paid up thereon.

3.2 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Amount (in ₹)	No. of Shares	Amount (in ₹)
<u>Equity Shares:</u>				
At the beginning of the period	21,756,491	217,564,910	21,756,491	217,564,910
Issued during the year	-	-	-	-
Outstanding at the end of the period	21,756,491	217,564,910	21,756,491	217,564,910

3.3 Shares held by Holding Company HPCL

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Amount (in ₹)	No. of Shares	Amount (in ₹)
<u>Equity Shares:</u>				
At the beginning of the period	16,099,803	160,998,030	16,099,803	160,998,030
Issued during the year	-	-	-	-
Outstanding at the end of the period	16,099,803	160,998,030	16,099,803	160,998,030

3.4 Details of Shareholders holding more than 5% shares in the company

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
<u>Equity Shares:</u>				
HPCL	16,099,803	74%	16,099,803	74%
CREDA	5,656,688	26%	5,656,688	26%
Outstanding at the end of the period	21,756,491	100%	21,756,491	100%

3.5 Details of Shares allotted for consideration other than cash during the period of five years immediately preceding the Reporting Date

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Value of Shares (in ₹)	No. of Shares	Value of Shares (in ₹)
<u>Equity Shares:</u>				
CREDA	2,227,873	22,278,730	2,227,873	22,278,730
Outstanding at the end of the period	2,227,873	22,278,730	2,227,873	22,278,730

The aforesaid shares were issued to CREDA against advance Lease Deposits @ ₹ 5000 per Ha for 4455 Ha of land. Out of the same 593 Ha of land have been allotted.



CREDA-HPCL BIOFUEL LIMITED
Notes to financial Statements for the year ended 31st March, 2016

(Amount in ₹)		
Particulars	As at 31st March, 2016	As at 31st March, 2015
4.RESERVES AND SURPLUS		
Capital Reserve (Any subsidy or grant if received from Govt.)	-	-
General Reserve	-	-
Revaluation Reserve	-	-
Other Reserves	-	-
Surplus/(Deficit) Profit & Loss Account		
Balance brought forward from previous year	(108,376,209)	(57,662,184)
Add: Profit/(Loss) for the period	(71,473,479)	(50,233,167)
Less: Charge of Depreciation in accordance with Companies Act, 2013	-	(480,858)
Research & Development Reserve	-	-
Closing Balance	(179,849,688)	(108,376,209)
5. LONG TERM BORROWINGS		
Loans from Scheduled Banks & Financial Institutions	-	-
Inter-Corporate Loans	-	-
Loans from Directors	-	-
Loans & Advances from Related Parties	-	-
	-	-
6. OTHER LONG TERM LIABILITIES		
	-	-
	-	-
7.SHORT TERM BORROWINGS		
Loans Repayable on Demand	-	-
Loans & Advances from Related Parties	-	-
	-	-
8. TRADE PAYABLES		
Sundry Creditors	-	-
	-	-
9. OTHER CURRENT LIABILITIES		
Accrued Liabilities		
Office Expenses	36,575	1,274,529
Operating Expenses	-	1,720,118
Other Liabilities		
Payable to HPCL	19,752,429	18,381,572
Other Payables	-	892,031
Unclaimed Cheques	-	28,000
Taxes Payable	14,452	133,207
Retention Money from Contractors	287,784	1,206,387
Security deposit from contractors	127,710	1,108,434
	20,218,950	24,744,278
10. SHORT TERM PROVISIONS		
For Cultivation & Maintenance	-	1,358,203
For Tours & Travels	-	-
For Leave Encashment	-	-
For Gratuity	-	-
Proposed Dividend	-	-
Service Tax	-	-
Tax on Proposed Dividend	-	-
	-	1,358,203



CREDA-HPCL BIOFUEL LIMITED

Notes to financial Statements for the year ended 31st March, 2016

11. Tangible Assets

(Amount in ₹)

Gross Block	Plant & Machinery	Temporary Shelter	Furniture & Fixtures	Computers & Printers	Office Equipment	Total
At Cost						
At 01.04.2014	1,531,827	116,750	1,616,106	458,641	532,949	4,256,273
Additions	111,800	38,000	11,900	-	2,400	164,100
Other adjustments	-	-	(9,300)	-	-	(9,300)
At 31.03.2015	1,643,627	154,750	1,618,706	458,641	535,349	4,411,073
Additions	913,000	-	22,100	-	800	935,900
Deletions (Sale)	(602,300)	-	(945,889)	(458,641)	(518,699)	(2,525,529)
Write off	(1,954,327)	(154,750)	(674,708)	-	(16,650)	(2,800,435)
At 31.03.2016	-	-	20,209	-	800	21,009

	Plant & Machinery	Temporary Shelter	Furniture & Fixtures	Computers & Printers	Office Equipment	Total
Depreciation						
At 01.04.2014	136,515	116,750	411,112	307,348	103,172	1,074,897
Charge for the year	100,492	43,009	154,661	17,896	85,701	401,759
Charge/(Write off) of depreciation upto 31/03/2014 in accordance with provisions of Companies Act, 2013	2,732	(76,739)	183,087	93,794	274,379	477,253
Other adjustments	-	-	(1,283)	-	-	(1,283)
At 31.03.2015	239,739	83,019	747,577	419,038	463,252	1,952,626
Charge for the year	67,723	9,066	93,672	8,399	25,140	204,000
Less: Reversal of depreciation on account of sale of assets	(130,765)	-	(391,741)	(425,957)	(459,495)	(1,407,958)
Less: Reversal of depreciation on account of write off of assets	(174,877)	(131,848)	(285,541)	-	(9,067)	(601,333)
(Excess)/less depreciation charged in previous year reversed	(1,820)	39,763	(152,625)	(1,480)	(19,749)	(135,911)
At 31.03.2016	-	-	11,342	-	81	11,424

	Plant & Machinery	Temporary Shelter	Furniture & Fixtures	Computers & Printers	Office Equipment	Total
Net Block						
At 31.03.2015	1,403,888	71,731	871,129	39,603	72,097	2,458,447
At 31.03.2016	-	-	8,867	-	719	9,585



CREDA-HPCL BIOFUEL LIMITED**Notes to financial Statements for the year ended 31st March, 2016****12. Intangible Assets****(Amount in ₹)**

Gross Block	Computer Software	Total
At Cost		
At 01.04.2014	13,500	13,500
Additions	-	-
Disposals	-	-
At 31.03.2015	13,500	13,500
Additions	-	-
Disposals	-	-
At 31.03.2016	13,500	13,500

	Computer Software	Total
Depreciation		
At 01.04.2014	9,220	9,220
Charge for the year	3,605	3,605
At 31.03.2015	12,825	12,825
Charge for the year	0	0
At 31.03.2016	12,825	12,825

(Amount in ₹)

	Computer Software	Total
Net Block		
At 31.03.2015	675	675
At 31.03.2016	675	675



CREDA-HPCL BIOFUEL LIMITED
Notes to financial Statements for the year ended 31st March, 2016

(Amount in ₹)		
Particulars	As at 31st March, 2016	As at 31st March, 2015
13. CAPITAL WORK IN PROGRESS		
Capital Work in Progress Plantation activity	-	74,562,381
Capital Work in Progress Borewells	-	1,043,000
	-	75,605,381
14. LONG TERM LOANS & ADVANCES		
Deposits (Lease Deposit)	56,566,880	56,566,880
	56,566,880	56,566,880
The above amount of ₹ 5,65,66,880 includes lease deposit of ₹1,93,10,000/- as advance deposit to CREDA against 3862 Ha of land which have not been allotted.		
15. INVENTORIES (AT NET REALISABLE VALUE)		
a) Inventories - Jatropa Seeds (at NRV)		
De-Oiled Cake (at NRV)	-	-
Semifinished Jatropa Biofuel	-	-
Jatropa Biofuel	-	2,714
Glycerol	-	-
(As certified by the management)	-	-
b) Inventories - Stores & Spare parts (at cost)		
Packing Materials	-	-
Stock of plantation materials	-	-
Stock of stationary	-	-
Stock of loose tools	-	-
c) Inventories - Stock In progress (at cost)		
Work in Progress	-	-
	-	2,714
16. TRADE RECEIVABLES		
Debts outstanding for a period exceeding six months	-	-
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less : Provision for doubtful debts	-	-
Debts outstanding for a period less than six months	-	2,717
- Secured, considered good	-	-
- Unsecured, considered good	-	-
- Doubtful	-	-
Less : Provision for doubtful debts	-	-
	-	2,717
17. CASH & CASH EQUIVALENTS		
Cash on hand	20,556	32,382
Balance with Scheduled Banks:		
in Current account	302,534	125,293
in Short Term Fixed Deposits	427	898
Interest Accrued on Fixed Deposits	323,517	158,573
18. SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Advance lease rentals	-	-
Advances recoverable in cash or in kind or for value to be received	-	21,880
Receivable from CREDA	1,029,968	-
Sales Tax	-	-
Tax Refund Due	3,547	473,915
	1,033,515	495,795



CREDA-HPCL BIOFUEL LIMITED

Notes to financial Statements for the year ended 31st March, 2016

(Amount in ₹)

Particulars	For the year ended on 31st March, 2016	For the year ended on 31st March'2015
19. REVENUE FROM OPERATIONS (GROSS)		
Gross Sales	-	1,782,274
Inter-cropping sales (if any)	-	-
Revenue from Operations (net)	-	1,782,274
Details of Products sold: Finished Goods		
Jatropha Biofuel	-	153,341
Jatropha Biofuel Semi Finished	-	1,333,995
Jatropha Glycerol	-	-
Jatropha Organic Manure	-	294,938
	-	1,782,274
20. OTHER INCOME		
Interest on fixed deposit [Tax deducted at source Rs. 3547/-for 2015-16]	34,145	109,708
Other Non-operating Income	4,160	165,685
Interest on Tax Refund	51,365	9,336
	89,670	284,729
Details of Non-operating Income		
Sale of old newspapers	1,160	-
Unclaimed cheques	3,000	-
Liquidated Damages	-	165,685
	4,160	165,685
21. COST OF MATERIAL CONSUMED		
Opening Stock of Jatropha Seeds	-	749,316
Purchases of Raw Material and Stores (jatropha Seeds)	-	234,173
Add : Transportation Charges	-	8,000
Add : Processing Charges	-	121,140
Less: Closing Stock of Jatropha seeds	-	-
	-	1,112,629
22.CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
Opening Stock	-	498,850
Semifinished Jatropha Biofuel	-	-
Jatropha Organic Manure	-	-
Jatropha Biofuel	2,714	156,750
Glycerol	-	-
Less: Closing Stock	-	-
Semifinished Jatropha Biofuel	-	-
Jatropha Organic Manure	-	-
Jatropha Biofuel	-	2,714
Glycerol	-	-
	2,714	652,886
23. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages [includes reimbursement of salaries of personnel on deputation from HPCL]	1,154,261	6,820,319
Contribution to Provident and Other funds	-	-
Staff Welfare	-	-
Employee Recruitment and Training	-	-
Leave Encashment and Gratuity	-	-
	1,154,261	6,820,319
24.DEPRECIATION & AMORTISATION EXPENSE		
Depreciation	204,000	401,759
	204,000	401,759



CREDA-HPCL BIOFUEL LIMITED
Notes to financial Statements for the year ended 31st March, 2016

(Amount in ₹)

Particulars	For the year ended on 31st March, 2016	For the year ended on 31st March'2015
25. OTHER EXPENSES		
Operating Expenses		
Fruit Plucking charges	231,129	-
Cultivation & Maintenance Expenses	1,558,839	-
Technical Consultancy Charges	-	2,340,752
Land Identification Charges	-	21,440
Warehousing Charges	-	-
Transportation Charges	-	80
Casual Labour	20,886	-
Mortality Replacement	-	-
Land Maps	-	-
Lease Rental on Land	-	-
	1,810,854	2,362,272
Administrative and General Expenses		
Sundry Expenses	96,330	225,375
Casual Staff - Office & Field Activities	231,925	186,911
Tours & Travel	606,574	573,869
Car hire charges	47,804	21,075
Rent	426,651	525,108
Telephone and Fax	6,155	11,882
Printing and Stationery	31,697	85,107
Postage and Telegram	23,003	14,243
Repairs to Furniture and other office equipment	12,360	12,765
IT exps	9,771	10,821
Auditor Remuneration	40,075	39,326
Legal & Consultation fees	-	65,000
Board and Committee Meetings	10,740	37,429
Other Administrative Expenses	16,194	537,134
Electricity Charges	87,945	78,080
Website maintainence	6,450	12,900
Bank Charges	2,010	100
Write off of fixed asset	-	8,017
Certification and other professional services	81,555	59,541
	1,737,239	2,504,683
TOTAL	3,548,093	4,866,955
During the year certain expenses which had been disclosed as Contingent Liabilities in 2014-15 have been paid. The details of such expenses are as under:		
Fruit Plucking charges	231,129	-
Cultivation & Maintenance Expenses	1,558,839	-
Casual Labour	20,886	-
Tours & Travel	567,168	-
	2,378,022	-
26. EXCEPTIONAL ITEMS		
Cash Assistance Received from HPCL	(10,000,000)	-
Write off of Capital Work in Progress (Plantation Activity)	74,562,381	-
Write off of Fixed Assets	2,199,101	-
Loss on account of sale of Fixed assets	65,538	-
	66,827,020	-



CREDA-HPCL BIOFUEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

- 27 Figures have been rounded off to nearest rupee.
- 28 As the Financial Statements have not been prepared on Going Concern Basis, the assets as on 31/03/2016 have been accounted on their Net Realizable Value.
- 29 The company has no sundry creditors falling under the category of small scale industries covered by Micro, Small and Medium Enterprises Development Act, 2006.
- 30 Lease Rental: As per Notification no. F4-59/2005/Seven/06 dated 01/09/2006 issued by the Government of Chhattisgarh, the lease of the land shall be given to CREDA for 20 years and may be renewed for a further period of 10 years subject to compliance of conditions by the lessee mentioned in the Notification. The Notification further provides that CREDA shall get the plantation and biodiesel processing unit on the land managed by a company in which CREDA has at least 26 percent shareholding. Further, CREDA shall neither transfer nor sublease the land to anybody under any circumstance.

The security deposit for the above land is refundable.

CREDA has vide its letter no. 11160/109/CBDA/CREDA/2013 dated 19/02/2013 has intimated that though CREDA has been permitting CHBL to carry on cultivation of jatropha plantation on certain pieces of land under intimation to concerned Chhattisgarh Government Officials, signing of lease between CREDA and state Government has as yet not been completed.

Further, as per letter dated 29/04/2013, CREDA has confirmed that, lease agreement has not been signed between CREDA and Chhattisgarh Government and therefore lease rental shall be chargeable only from the date on which the Government of Chhattisgarh officially signs lease deed with CREDA. Accordingly, no provision for lease rental has been made.

- 31 Considering the significant uncertainty of future taxable income in view of past performance and the suspension of business operations no Deferred Tax Asset / (Liability) arising due to timing difference have been recognized in the books of accounts.
- 32 Excess depreciation of ₹ 1,35,911 charged during 2014-15 has now been reversed. (Refer Note 11).
- 33 The following items have been disclosed under Exceptional Items (Note No. 26) in Statement of Profit & Loss:
- a) During the year, a study of the status of CHBL jatropha plantations was carried out by Chhattisgarh State Renewable Development Agency (CREDA) and it has confirmed that productive yield cannot be taken from most of the plantation sites, as per current status, in near future.

The plantations are on land licensed for use from CREDA. Further, these plantations are scattered over 120 plots spread over 10 districts with very low plant density. Most of the plants have stunted growth and hence cannot be used for making biomass. Accordingly, biomass collection and processing would be highly loss making.

Accordingly, in view of non-availability of yield, non-viability of operations and suspension of business activities the jatropha plantations have Nil Realizable Value in Management's opinion and hence, the entire Capital Work in Progress (Plantation Activity) of ₹ 7,45,62,381/- (Rupees Seven Crores Forty Five lacs, sixty two thousand and three hundred eighty one only) has been written off.



Additionally, plantation related assets like borewells, temporary shelters etc. of ₹17,69,433/- (Rupees Seventeen lacs Sixty Nine thousand, four hundred and thirty three only) have also been written off as in view of Management these assets have Nil Realizable Value.

- b) During the year most of CHBL office assets and some field assets have been sold to CREDA on an on an "As-is-where- is" basis at their written down book value as on 30/06/2015 after reducing a lump sum amount of 10% of the book value as on 30/06/2015 towards various costs such as transportation, repair and reinstallation charges etc.

Accordingly, office assets with Written down value of ₹ 10,97,224/- (as on 30/09/2015) have been sold to CREDA for ₹ 10,29,968/- and loss of ₹ 67,756/- has been charged to Statement of Profit & Loss.

Additionally, due to change in office premises, some office assets which were inseparable and had written down value of ₹ 4,29,668/- have been written off to Statement of Profit & Loss.

- c) In order to liquidate existing liabilities of CHBL, Holding Company HPCL has provided cash assistance of ₹ 1 Crore.

34 **Contingent Liabilities and Capital commitments:**

		(in ₹)	
		2015-16	2014-15
A	Estimated amount of Contracts remaining to be executed on Capital Account not provided for	-	-
B	Claims against the Company not acknowledged as debts	11,53,171	40,74,160

35 **Other General Information:**

		(in ₹)	
		2015-16	2014-15
A	Payments to Auditors:		
	Audit fees (incl. Service Tax)	40,075	39,326
	Tax Audit Fees	-	-
	Other taxation matters	-	-
	Company Law Matters	-	-
	Management Services	-	-
	Other Services	-	-
	Reimbursement of Expenses	-	-
B	Managerial Remuneration:		
	Salary & Allowances		
	Chief Executive Officer	2,86,156	37,73,260
	Chief Finance Officer cum Company Secretary	1,54,522	20,31,183
	(Chief Executive Officer and Chief Finance Officer are on deputation from HPCL. The amount represents remuneration paid by HPCL and debited to CHBL and includes salary, company contribution to PF, LFA, bonus, medical, gratuity & leave encashment.)		
C	C.I.F Value of Imports during the Year.	NIL	NIL
D	Expenditure in Foreign Currency	NIL	NIL
E	Earning in Foreign Currency	NIL	NIL
F	Information on each class of goods purchased, sold and stocks during the year	NIL	NIL



36

Related Parties Disclosures:-

Nature of Relationship	Name of Related Parties
Holding Company	Hindustan Petroleum Corporation Ltd.(HPCL)
Co-Promoters	Chhattisgarh State Renewable Energy Development Agency (CREDA)
Key Managerial Personnel	Shri M Somasundar (Manager) and Shruti Bhagat (Company Secretary)
Relative of the Key Management Personnel	NIL

Details of transactions between the company and related parties

(in ₹)

Nature of transaction	HPCL		CREDA	
	2015-16	2014-15	2015-16	2014-15
Cash Assistance Received	1,00,00,000/-	-	-	-
Manpower cost of employees on deputation payable to HPCL	11,16,926/-	1,66,99,466/-	-	-
Other Expenses payable to HPCL	2,53,931/-	9,913/-	-	-
Sale of Office Assets	-	-	10,48,032/-	-

Name of Key Managerial Personnel	Remuneration During the year
Chief Executive Officer- M Somasundar	2,86,156
Chief Finance Officer & Company Secretary – Shruti Bhagat	1,54,522

- 37 The Cash flow statement is prepared by the indirect method set out in AS-3 on "Cash Flow Statements" and presents the cash flows by operating, investing & financing activities of the company. Cash & cash equivalents presented in the cash flow statement consist of cash on hand and demand deposits with banks.

- 38 Prior Period Items

(in ₹)

	2015-16	2014-15
Charged to Statement of Profit & Loss		
Casual Labour Office Expenses	10,276	1,854
Casual Labour Field Activities	87,032	
Cultivation & Maintenance Expenses	(60,280)	(4,94,451)
Depreciation (Refer note 32)	1,35,911	
Technical Consultancy		(2,938)
Forfeiture of Retention Money & Security Deposit of M/s PSA Construction		2,93,777
Total	1,72,939	(2,01,758)

** Statement of Significant Accounting Policies and Notes Forming Part of Accounts are an integral part of the Financial Statements

As per our report of Even Date

For, Jain & Agrawal
Chartered Accountants
FRN.- 000727C

For and on behalf of the Board



(N.K.Agrawal)
Partner
M.No. 072709

Place : Mumbai
Date : 09/05/2016

(J Ramaswamy)
Director

(M Somasundar)
Manager

(S.K.Shukla)
Director

(Shruti Bhagat)
Company Secretary