

LOK SABHA  
UNSTARRED QUESTION NO. 4186  
TO BE ANSWERED 7<sup>th</sup> JANUARY, 2019

**HPCL Biofuels Plant**

**4186. SHRI TEJ PRATAP SINGH YADAV:**

पेट्रो लयम एवं प्राकृतिक गैस मंत्री

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether HPCL through its subsidiary HPCL Biofuels Ltd. (HBL) operates plant at Sugauli and if so, the details thereof;
- (b) whether the said plant owes a huge amount as arrears to their customers and if so, the details thereof along with the action taken by the Government to get the due amount paid to the customers;
- (c) the details of production of sugar, ethanol and power along with the profits made by HBL during the last three years;
- (d) whether malpractices like nepotism, black-marketing have been reported in issuance of challans by the plant and if so, the details thereof and the action taken thereon;
- (e) whether the HBL has done any activities under Corporate Social Responsibility (CSR) for the development of area and its people and if so, the details thereof along with the projects/works done including the funds spent in this regard so far; and
- (f) whether the plant is reportedly emitting huge quantity of smoke thereby causing pollution and posing public health hazard and if so, the details thereof along with the corrective action taken by the Government thereon and the steps taken to review the functioning of the said plant?

**ANSWER**

पेट्रो लयम एवं प्राकृतिक गैस मंत्री (श्री धर्मन्द्र प्रधान)

**MINISTER OF PETROLEUM AND NATURAL GAS  
(SHRI DHARMENDRA PRADHAN)**

- (a) Hindustan Petroleum Corporation Limited (HPCL) has informed that HPCL Biofuels Limited (HBL), a wholly owned subsidiary incorporated in the year 2009, is operating two Integrated Sugar, Ethanol and Cogeneration Plants at Sugauli and Lauriya, East and West Champaran. The capacity of these two Plants are given below :-

| <b>Item</b>                            | <b>Sugauli</b> | <b>Lauriya</b> |
|--|----------------|----------------|
| Cane Crushing Capacity in MT Per Day   | 3500           | 3500           |
| Ethanol Production Capacity KL Per Day | 60             | 60             |
| Power Generation Capacity MWH Per Day  | 20             | 20             |

- (b) The details of total outstanding arrears to the farmers for the Cane Procured in the season 2017-18 are as below :-

| S N | Name Of Factory | Cane Purchase in Lakh Qtls. | Cane Amount Payable (Rs Crores) | Cane Amt. Paid (Rs Crores) | Balance Amt. (Rs. Cr.) | Payment made (%) | Pending Payment (%) |
|-----|-----------------|-----------------------------|---------------------------------|----------------------------|------------------------|------------------|---------------------|
| 1   | Lauriya         | 40.11                       | 115.64                          | 106.31                     | 9.33                   | 91.94            | 8.06                |
| 2   | Sugauli         | 35.81                       | 104.79                          | 98.23                      | 6.56                   | 93.74            | 6.26                |
|     | Total           | 75.92                       | 220.43                          | 204.54                     | 15.89                  | 92.84            | 7.16                |

HBL's average payment made to the cane farmers for the cane procured in the crushing season 2017-18 is 92.84 % of the payable amount whereas the industry average in the state of Bihar is 91.54% of the total cane payable amount.

There are no outstanding dues in lieu of outstanding cane payments to the farmers for the sugarcane procured prior to the season 2017-18 by HBL.

- (c) The details of production of Sugar, Ethanol & Power for the last three years are as below -

| <b>Item</b>              | <b>2015-16</b> | <b>2016-17</b> | <b>2017-18</b> |
|--------------------------|----------------|----------------|----------------|
| Sugar Production in MT   | 44,236         | 55,333         | 63,870         |
| Ethanol Production in KL | 8,534          | 10,082         | 7,030          |
| Power Generation in MWH  | 48,628         | 67,383         | 79,085         |

- (d) Malpractices in issuance of challans were reported in the Crushing Season 2017-18. Based on complaint received and initial inquiry findings, administrative action has been taken by HBL. HBL has also made the process of Cane Procurement more transparent & robust by Implementing following additional measures:-
- In Cane Survey, they are capturing and verifying the exhaustive details of Cane Plantation by physically visiting the farmland through GPS enabled HHT Device.
  - Introduction & adoption of new technologies like Implementing GPS Tagging to the Vehicle used for Cane Procurement.
- (e) As per the directive of Government of India, only profitable PSUs shall undertake CSR up to 2% of their profit in any Financial Year. HBL since its inception has not made any profit.
- (f) HBL's Bagasse based Co-Generation Plant of 20 MW capacity is the only source for generation of smoke during the Crushing Season. However, the plant is fitted with state of art Pollution Control device ESP (Electro Static Precipitator) whose function is to trap the un-burnt fuels in the smoke released from the Boiler and thus the plants are meeting the pollution norms.

Moreover, HBL have the chimney of 72 meter height which has the sufficient draft for diluting and disposing off the smoke.

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