



**TALCHER FERTILIZERS
LIMITED**

5TH ANNUAL REPORT 2019-20

BOARD OF DIRECTORS



Shri Binay Dayal
Chairman



Shri S. N. Yadav
Managing Director



Shri Sanjay Arora
Director (Operations)



Shri Avijit Goswami
Director (Finance)



Shri Niranjana Lal
Nominee Director (FCIL)



Shri Manoj R. Meshram
Nominee Director (GAIL)



Shri Milind M. Deo
Nominee Director (RCF)

Registered Office:

Plot No. 2 Kalpana Area,
BJB Nagar, Khorda,
Bhubaneswar – 751014

Project Office:

PARC Building,
GAIL Training Institute,
Plot No. 24, Sector 16 A,
Noida – 201301

Factory Address:

Administrative Building,
Talcher Fertilizers Limited,
P.O. Vikrampur,
Talcher, Angul – 759106

Liason Office:

JHBDPL Project Office,
612, Utkal Signature,
Pahala, NH-5,
Bhubaneswar-752101

Statutory Auditors:

M/s Harichandan Karan & Associates
Chartered Accountants
Duplex II, Appolo Ashiyan Apartment Complex,
Palasuni, Rasulgarh,
Bhubaneswar 751010, Odisha

Secretarial Auditors:

Dholakia & Associates LLP
A-302, Khernagar Sarvodaya CHS Ltd.
Building No.11, Near P. F. Office,
Khernagar, MHB Colony,
Bandra East,
Mumbai 400 051.

Registrar and Share Transfer Agent:

M/s NSDL Database Management Limited
4th Floor, Trade World, A Wing,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai-400013

Bankers

State Bank of India

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तालचेर फर्टिलाइजर्स लिमिटेड
TALCHER FERTILIZERS LIMITED

निगमित पहचान क्रमांक /Corporate Identification Number (CIN) : U24120OR2015PLC019575

NOTICE OF 5th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 5th Annual General Meeting of the Members of Talcher Fertilizers Limited will be held on Wednesday, December 23, 2020 at 3.30 p.m. through Video Conferencing (VC)/Other Audio Visual Means(OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 together with the Board's Report and the Auditors' Report thereon and comments of the Comptroller & Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013.
2. To appoint a Director in place of Shri Binay Dayal (DIN 07367625), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Manoj R. Meshram (DIN 08195079) who retires by rotation and being eligible, offers herself for reappointment.
4. To fix remuneration of Auditors for the financial year 2020-21 and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to fix the remuneration, out of pocket, statutory taxes and other ancillary expenses of Auditors to be appointed by the Comptroller and Auditor General of India for the financial year 2020-21."

SPECIAL BUSINESS:

5. To appoint Shri Milind M. Deo (DIN 08715250) as Director of the Company and in this regard, 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 161(1) and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force) and the Articles of Association of the Company, Shri Milind M. Deo (DIN 08715250), who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 4th March, 2020 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation.”

6. To appoint Shri Sachchidanand Yadav (DIN 08758377) as Managing Director of the Company and in this regard, 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 161(1) and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force) and the Articles of Association of the Company, Shri Sachchidanand Yadav (DIN 08758377), who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 11th June, 2020 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 2(54), 196, 197 and 203 and other applicable provisions, if any, of the Companies Act 2013, the Company be and is hereby accorded approval for appointment of Shri Sachchidanand Yadav (DIN 08758377) as Managing Director for a period of 3 (three) years with effect from 11th June, 2020.”

RESOLVED FURTHER THAT Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution”

7. To appoint Shri Avijit Goswami (DIN 08756560) as Director (Finance) of the Company and in this regard, 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 161(1) and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force) and the Articles of Association of the Company, Shri Avijit Goswami (DIN 08756560), who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 11th June, 2020 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 2(54), 196, 197 and 203 and other applicable provisions, if any, of the Companies Act 2013, the Company be and is hereby accorded approval for appointment of Shri Avijit Goswami (DIN 08756560) as Director (Finance) for a period of 3 (three) years with effect from 11th June, 2020.”

RESOLVED FURTHER THAT Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

8. To appoint Shri Sanjay Arora (DIN 08787083) as Director (Operations) of the Company and in this regard, 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 161(1) and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force) and the Articles of Association of the Company, Shri Sanjay Arora (DIN 08787083), who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 16th July, 2020 and who holds office upto the date of this Annual General Meeting and in respect of whom the

Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 2(54), 196, 197 and 203 and other applicable provisions, if any, of the Companies Act 2013, the Company be and is hereby accorded approval for appointment of Shri Sanjay Arora (DIN 08787083) as Director (Operations) w.e.f. 16th July, 2020 upto 10th June, 2023.

RESOLVED FURTHER THAT Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

By order of the Board of Directors

R Tawde

(Rupesh Tawde)
Company Secretary
ACS 23311

Registered Office:

Plot 2/H, Kalpana Area,
BJB Nagar, Khurda,
Bhubaneswar – 751014

Date: December 11, 2020

Place: Mumbai

Notes:

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
2. Considering the extra-ordinary circumstances caused by COVID-19 and in light of the social distancing norms, the Ministry of Corporate Affairs (“MCA”) has vide its circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (“MCA Circulars”) permitted the holding of the Annual General Meeting of a Company through Video Conferencing (VC) /Other Audio Video Means (OAVM), without

through Video Conferencing (VC) /Other Audio Video Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), and MCA Circulars, the AGM of the Company is being held through VC / OAVM on Wednesday, December 23, 2020 at 3.30 p.m.

The procedure for joining the AGM through VC/OAVM is mentioned in this Notice.

3. Since the AGM is being held through VC / OAVM, 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. The Proxy Form as well as the Attendance Slip are therefore, not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. In view of the massive outbreak of the COVID-19 pandemic, social distancing is to be a pre-requisite and pursuant to the AGM circulars, physical attendance of the Members at the AGM venue is not required. Hence, Members have to attend and participate in the ensuing AGM through VC/OAVM.
5. The facility for joining the AGM shall be kept open atleast 15 minutes before the time scheduled to start the Meeting and shall not be closed till the expiry of 15 minutes after such scheduled time and the Members can join accordingly by following the procedure mentioned in the Notice.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. All documents referred to in the Notice calling the AGM and the Explanatory Statement are available for inspection through e-mode and shall be furnished through e-mail at the registered email address of the Shareholder, for inspection, as per specific request received at rjatawde@rcfltd.com.
8. Pursuant to the provisions of Section 107 of the Companies Act, 2013 a resolution put to the vote of the meeting shall, unless a poll is demanded under section 109, be decided on a show of hands as per the process mentioned in the AGM circulars.
9. The Notice calling the AGM has been uploaded on the website of the Company at <http://tflonline.co.in/>.
10. Brief profile and other required information about the Directors proposed to be appointed/re-appointed, as required under Secretarial Standard on General

Meetings issued by the Institute of Company Secretaries of India as approved by the Central Government, is enclosed to this Notice.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members whose email IDs are already registered with the Company and who are desirous to attend the AGM through VC/OAVM can send their request at rjtawde@rcfltd.com in by giving their name as registered in the records of the Company, DPID/Client ID or Folio Number and the Registered email ID. The invitation to join the AGM will be sent to the Members on their registered email IDs.
2. Members may attend the AGM, by following the invitation link sent to their registered email ID. Members will be able to locate Meeting ID/ Password/ and JOIN MEETING tab. By Clicking on JOIN MEETING they will be redirected to Meeting Room via browser or by running Temporary Application. In order to join the Meeting, follow the step and provide the required details (mentioned above – Meeting Id/Password/ Email Address) and Join the Meeting. Members are encouraged to join the Meeting through Laptops for better experience.
3. In case of Android/Iphone connection, Participants will be required to download and Install the appropriate application as given in the mail to them. Application may be downloaded from Google Play Store/ App Store.
4. Further Members will be required to allow Camera and use Internet audio settings as and when asked while setting up the meeting on Mobile App.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi- Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. The helpline number for joining the Meeting through Electronic Mode will be provided in the Meeting Invitation.
7. A.) During the meeting held through VC or OAVM facility, where a poll on any item is required, the member shall cast their vote on the resolutions by sending emails through their email addresses which are registered with the Company to the email address: rjtawde@rcfltd.com
B.) Where less than 50 members are present in a meeting, the Chairman may decide to conduct a vote by show of hands, unless a demand for poll is made by any member in accordance with section 109 of the Act. Once such demand is made, the procedure provided in point no (A.) shall be followed.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following statement sets out all the material facts relating to the Special Business mentioned in the accompanying Notice.

Item No.5

The Board of Directors in its meeting held on 4th March, 2020 has appointed Shri Milind M. Deo as an Additional Director on the Board of the Company, pursuant to Section 161(1) of the Companies Act, 2013, will hold the office till the date of 5th Annual General Meeting.

Shri Milind M. Deo is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

In the opinion of the Board, Shri Milind M. Deo fulfils the conditions for his appointment as a Director as specified in the Act. Shri Milind M. Deo does not hold any shares in the Company by himself or for any other person on beneficial basis.

Except Shri Milind M. Deo, to whom the resolution relates, no Director, Key Managerial Personnel of the Company or their relatives, is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors considered that keeping in view his vast expertise and knowledge, it will be in the interest of the Company to appoint him as Director.

The Directors, therefore, recommends the resolution set forth in item no. 5 for the approval of the members.

Item No.6

The Board of Directors in its meeting held on 11th June, 2020 has appointed Shri Sachchidanand Yadav as an Additional Director on the Board of the Company, pursuant to Section 161(1) of the Companies Act, 2013, will hold the office till the date of 5th Annual General Meeting. Further, Shri Sachchidanand Yadav has been designated as Managing Director of the Company for a period of three years w.e.f. 11th June, 2020

Shri Yadav is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Managing Director.

In the opinion of the Board, Shri Yadav fulfils the conditions for his appointment as a Managing Director as specified in the Act. Shri Yadav does not hold any shares in the Company by himself or for any other person on beneficial basis.

Except Shri Yadav, to whom the resolution relates, no Director, Key Managerial Personnel of the Company or their relatives, is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors considered that keeping in view his vast expertise and knowledge, it will be in the interest of the Company to appoint him as Managing Director.

The Directors, therefore, recommends the resolution set forth in item no.6 for the approval of the members.

Item No.7

The Board of Directors in its meeting held on 11th June, 2020 has appointed Shri Avijit Goswami as an Additional Director on the Board of the Company, pursuant to Section 161(1) of the Companies Act, 2013, will hold the office till the date of 5th Annual General Meeting. Further, Shri Goswami been designated as Director (Finance) of the Company for a period of three years w.e.f. 11th June, 2020

Shri Goswami is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director (Finance).

In the opinion of the Board, Shri Goswami fulfils the conditions for his appointment as a Director (Finance) as specified in the Act. Shri Goswami does not hold any shares in the Company by himself or for any other person on beneficial basis.

Except Shri Goswami, to whom the resolution relates, no Director, Key Managerial Personnel of the Company or their relatives, is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors considered that keeping in view his vast expertise and knowledge, it will be in the interest of the Company to appoint him as Director (Finance).

The Directors, therefore, recommends the resolution set forth in item no.7 for the approval of the members.

Item No.8

The Board of Directors in its meeting held on 15th July, 2020 has appointed Shri Sanjay Arora as an Additional Director on the Board of the Company, pursuant to Section 161(1) of the Companies Act, 2013, will hold the office till the date of 5th Annual General Meeting. Further, Shri Arora been designated as Director (Operations) of the Company w.e.f. 16th July, 2020 to 10th June, 2023.

Shri Arora is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director (Operations).

In the opinion of the Board, Shri Arora fulfils the conditions for his appointment as a Director (Operations) as specified in the Act. Shri Arora does not hold any shares in the Company by himself or for any other person on beneficial basis.

Except Shri Arora, to whom the resolution relates, no Director, Key Managerial Personnel of the Company or their relatives, is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors considered that keeping in view his vast expertise and knowledge, it will be in the interest of the Company to appoint him as Director (Operations).

The Directors, therefore, recommends the resolution set forth in item no.8 for the approval of the members.

By order of the Board of Directors

R Tawde

**(Rupesh Tawde)
Company Secretary**

Date: December 11, 2020

Place: Mumbai

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE AGM
PURSUANT TO SECRETARIAL STANDARD 2 ON GENERAL MEETING**

Name	Shri Binay Dayal (DIN 07367625)	Shri Manoj R. Meshram (DIN 08195079)	Shri S. N. Yadav (DIN 08758377)	Shri Sanjay Arora (DIN 08787083)	Shri Avijit Goswami (DIN 08756560)
Age	58 years	59 years	52 years	58 years	58 years
Date of birth	09.01.1962	17.06.1961	04.01.1968	20.07.1963	18.07.1963
Date of Appointment	17.07.2017	24.12.2018	11.06.2020	16.07.2020	11.06.2020
Qualification	Graduated in Mining Engineering in 1983 from Indian School of Mines (ISM), Dhanbad. 1st Class Mine Manager's Certificate of Competency from DGMS, Dhanbad.	Chemical Engineering Graduate from Laxminarayan Institute of Technology Nagpur	Mechanical Engineer from MNNIT, Allahabad	Masters in Marketing & Logistics	Graduated in English (Hons.) from Scottish Church College, University of Calcutta and a Cost Accountant from the Institute of Cost Accountants of India.
Terms & Conditions of appointment	Appointed as Chairman and Nominee Director of Coal India Limited on the Board of TFL	Appointed as Nominee Director of GAIL (India) Limited on the Board of TFL	Appointed as Managing Director on the Board of TFL	Appointed as Director (Operations) on the Board of TFL	Appointed as Director (Finance) on the Board of TFL
Expertise in specific Functional Area	Shri Dayal has vast experience in Corporate Planning and Public Relations activities. He has to his credit the Planning, Approval and Implementation of Mega Projects of South Eastern Coalfields and enhancement of productivity of hi-tech drills deployed for detailed exploration in Korba and Mand Raigarh coalfields. As	He has rich experience of operating large size Ammonia plant, DMF plant, Amine plant, Formaldehyde plant and Petrochemical complex of GAIL Pata. He had an instrumental role in GAIL Pata Petrochemical Plant expansion project conceptualization, execution, commissioning and stabilization of 450 KTA Gas Cracker Unit and 400 KTA of	During a career spanning 29 years, he has worked in different capacities in GAIL including construction of major cross country pipelines of GAIL viz. Dadari-Bawana Pipeline (DBPL), Chainsa-Jhajhar Pipeline (CJPL) and Bawana-Nangal Pipeline	He, in his illustrious career spanning over 33 years, has served across a wide spectrum of gamut in RCF and had distinction of tenanted key appointments in diversified fields namely, Rail dispatches, Port Operations, Marketing, Direct Benefit Transfer	Sh.Goswami has wide experience of over 31 years and has served Coal Industry in different capacities.

Name	Shri Binay Dayal (DIN 07367625)	Shri Manoj R. Meshram (DIN 08195079)	Shri S. N. Yadav (DIN 08758377)	Shri Sanjay Arora (DIN 08787083)	Shri Avijit Goswami (DIN 08756560)
	General Manager (Project & Planning Services), South Eastern Coalfields Limited, he prepared the road map for coal production in respect of South Eastern Coalfields Limited as a part of 1 Billion tonne coal production exercise carried out by Coal India Limited.	LLDPE/ HDPE Swing Polymer Unit based on Gas based Technology of M/s Univation, USA along with all the utilities and off sites for doubling the polymer production capacity of GAIL Pata complex.	(BNPL)- Punjab section and at Vijaipur he worked as HoD of HVJ pipeline network and simultaneously held charge as HoD of Mechanical Maintenance Dept. of Vijaipur Plant Complex (LPG Plants & Gas Compressor Station).	DBT, HRD, CC/CSR and others.	
Details of remuneration last drawn (Financial year 2019-20)	Nil	Nil	Nil	Nil	Nil
Number of Meetings of the Board held during the year and number of Board Meetings attended	16/18	16/18	Nil	Nil	Nil
Relationship with any other Director, Manager and other KMP of the Company	N.A.	N.A.	N.A.	N.A.	N.A.
Directorship held in other companies	1. Coal India Limited 2. CMPDIL 3. Bharat Coking Coal Limited 4. Coal India Africana Limitada	1. ONGC Petro Additions Limited	Nil	Nil	

Name	Shri Binay Dayal (DIN 07367625)	Shri Manoj R. Meshram (DIN 08195079)	Shri S. N. Yadav (DIN 08758377)	Shri Sanjay Arora (DIN 08787083)	Shri Avijit Goswami (DIN 08756560)
	5. Hindustan Urvarak & Rasayan Limited				
Memberships/ Chairmanship of Committees in other Companies*	1. Empowered Sub- Committee in Coal India Ltd 2. Risk Management Committee in Coal India Limited 3. CSR Share Transfer Committee in Coal India Limited	Nil	Nil	Nil	Nil
No. of Shares held	1 (Nominee of Coal India Limited)	Nil	Nil	Nil	Nil

TALCHER FERTILIZERS LIMITED

निगमित पहचान क्रमांक /Corporate Identification Number (CIN) : U24120OR2015PLC019575

DIRECTOR'S REPORT

To,
The Members,

Your Directors are pleased to present the 5th Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March, 2020.

FINANCIAL PERFORMANCE

Particulars	Rs. in Lakh	
	2019-20	2018-19
Total Income	578.27	94.67
Total Cost before Depreciation and Tax	866.91	1963.28
Profit before Depreciation and Tax	(288.64)	(1868.61)
Depreciation/Impairment	15.38	4.83
Profit/ (Loss) before tax	(304.02)	(1873.44)
Provision for Tax (including deferred Tax liability/ Asset)	<u>1.71</u>	<u>0.61</u>
Net Profit / (loss)	(302.31)	(1874.05)

PROJECT DETAILS

Talcher Fertilizers Limited a Joint Venture Company (JVC) promoted by GAIL, CIL, RCF and FCIL was formed to revive FCIL's Talcher fertilizer unit in the Angul district of Odisha. RCF, CIL, GAIL holds 31.85% each and FCIL hold 4.45% in this JVC subject to the approval ECOS. The company plans to produce approx. 1.26 MMTPA of urea using coal as feedstock. The plant shall employ coal gasification technology for production of urea with an estimated cost of more than INR 13,277 crore. In principle approval allocation of North Arkhapal Coal Mine (50%) to Talcher Fertilizers Ltd. (TFL) has been received along with bridge linkage coal for initial years. M/s PDIL is assisting TFL for this project.

The project broadly consists of Coal Gasification Unit, Ammonia Plant with design capacity of 2200 MTD and Urea Plant with design capacity of 3850 MTPD along with associated facilities, including coal based captive power plant. The project will have an output of 1.27 MMTPA of 'Neem' coated prilled urea using coal as feedstock. The total estimated cost for setting up New Coal based Ammonia-Urea Complex at the existing

TALCHER FERTILIZERS LIMITED

निगमित पहचान क्रमांक /Corporate Identification Number (CIN) : U24120OR2015PLC019575

plant site of FCIL is approx. INR 13,277 cr. which will be financed through equity from shareholders and debt from financial institution in Debt: Equity ratio of 72:28. The unit will utilize about 3.3 MMTPA coal from Talcher Mines. There is also provision of blending up to 25% Pet-coke to handle high ash content in coal.

The Company has awarded the Coal Gasification Package of Rs. 34,124,065,251/- plus USD 292,647,881 (inclusive of all taxes and duties) and Ammonia Urea Package of Rs. 14,103,138,338/- Plus USD 148,100,063 (inclusive of all taxes and duties) to M/s Wuhuan Engineering Co. Ltd., China on LSTK basis. The project is expected to commissioned on September, 2023.

TRANSFER TO RESERVES

No amount has been transferred to Reserves as the Company is yet to start commercial operations.

INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY

The Authorised Equity Share Capital of the Company has been increased to Rs. 4,200 Crore crores divided into 4,20,00,00,000 Equity Shares of Rs.10/- each upon passing of resolutions in the Extra Ordinary General Meeting held on 23rd July, 2019.

SHARE CAPITAL

During the year under review, your Company has made allotment of 42,94,80,717 Equity Shares of face value of Rs.10/- each on right issue to the following existing shareholders:

Sr. No.	Name of existing shareholders	No. of Equity shares of Rs.10/- each
1	Rashtriya Chemicals and Fertilizers Limited	14,31,60,239
2	Coal India Limited	14,31,60,239
3	GAIL (India) Limited	14,31,60,239
	Total	42,94,80,717

DIVIDEND

Your Directors do not recommend any dividend on Equity Shares for the year under review as the Company is yet to start its commercial operations.

COVID 19 PANDEMIC

Due to implementation of lockdown as per the directions of GoI/State Government on account of outbreak of COVID-19 pandemic, the construction work was temporarily regulated at Talcher project site from last week of March 2020 and the same was resumed in the month of April, 2020. However, during this period administrative and technical activities were continued. Additional financial implication on account of the above temporary regulation was not ascertainable as on reporting date. However, the company will continue to closely monitor the future impacts, which if material, will be disclosed.

As the company is under construction stage, there is no impact on the ability of the company as a going concern.

DEPOSITS

During the period under review, your Company has not accepted any deposits from the public.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

No material changes have occurred as at the end of the financial year to which the balance sheet of the Company relates and the date of this report except the day to day challenges being faced by the company on account of Covid 19 pandemic.

TALCHER FERTILIZERS LIMITED

निगमित पहचान क्रमांक /Corporate Identification Number (CIN) : U24120OR2015PLC019575

KEY MANAGERIAL PERSONNEL

The following are Key Managerial Personnel of the Company:

1. Shri Sachchidanand Yadav, Managing Director (From 11.06.2020)
2. Shri Santosh V. Gawade, Director (Operations) (From 11.06.2020 to 15.07.2020)
3. Shri Avijit Goswami, Director (Finance) (From 11.06.2020)
4. Shri Sanjay Arora, Director (Operations) (From 16.07.2020)
5. Shri Partha Jana, Chief Executive Officer (upto 10.06.2020)
6. Shri Avijit Goswami, Chief Financial Officer (from 31.01.2020)
7. Shri Sunil Dutt, Chief Financial Officer (upto 15.01.2020)
8. Shri Rupesh Tawde, Company Secretary

RISK MANAGEMENT

Your Company is yet to form a risk management policy as the Company is yet to start its commercial operations.

BOARD EVALUATION

Section 134(3) (p) of the Companies Act, 2013 requires the Company to disclose the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual Directors. However, all the Directors of your Company are nominee Directors nominated by respective joint venture partner, hence, the Board evaluation was not applicable to your Company during the year.

DIRECTORS

The following changes took place in the Board of Directors of the Company:

- i. Shri Binay Dayal (DIN 07367625) was nominated by CIL as Chairman of the Company w.e.f. 8th February, 2020.
- ii. Shri Umesh V. Dhattrak (DIN 07718394) was ceased to be Director and Chairman of the Company w.e.f. 1st October, 2019.

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- iii. Shri S. C. Mudgerikar (DIN 03498837) was nominated by RCF as Director and Chairman of the Company w.e.f. 20th November, 2019.
- iv. Shri Sunil Dutt was ceased to be CFO of the Company w.e.f. 16th January, 2020.
- v. Shri Avijit Goswami was nominated by CIL as CFO of the Company w.e.f. 31st January, 2020
- vi. Shri S. C. Mudgerikar (DIN 03498837) was ceased to be Director and Chairman of the Company w.e.f. 8th February, 2020.
- vii. Shri Milind M. Deo (DIN 07965269) was nominated by RCF as Director of the Company w.e.f. 4th March, 2020.
- viii. Shri Sachchidanand Yadav (DIN 08758377) was nominated by GAIL as Managing Director w.e.f. 11th June, 2020.
- ix. Shri Santosh V. Gawade (DIN 08195079) was nominated by RCF as Director (Operations) w.e.f. 11th June, 2020.
- x. Shri Santosh V. Gawade (DIN 08195079) ceased to be Director (Operations) w.e.f. 16th July, 2020.
- xi. Shri Avijit Goswami (DIN 08756560) was nominated as Director (Finance) w.e.f. 11th June, 2020.
- xii. Shri Sudhir D. Panadare (DIN 07933191) ceased to be Nominee Director w.e.f. 11th June, 2020.
- xiii. Shri Ashu Shinghal (DIN 08268176) ceased to be Nominee Director of the Company w.e.f. 11th June, 2020
- xiv. Dr. A. K. Samantaray (DIN 07090691) ceased to be Nominee Director of the Company w.e.f. 11th June, 2020.
- xv. Shri Sanjay Arora (DIN 08787083) was nominated by RCF as Director (Operations) w.e.f. 16th July, 2020.

The Board has placed on record their appreciation of the Directors who have cease to be members of the Board for the valuable contribution made and the guidance/suggestion provided by them which has greatly benefited the company.

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As per Article 112 of the Articles of Association of the Company, Shri Binay Dayal (DIN 07367625) and Shri Manoj R. Meshram (DIN 08195079) retire at the ensuing Annual General Meeting. Board recommends their re-appointment at the ensuing Annual General Meeting.

Shri Milind M. Deo (DIN 07965269), Shri Sachchidanand Yadav (DIN 08758377), Shri Avijit Goswami (DIN 08756560) & Shri Sanjay Arora (DIN 08787083) holds office till ensuing Annual General Meeting and is eligible for appointment.

CHIEF OPERATING OFFICERS

- i. Shri Sanjay Agarwal was appointed as COO(Gasification/Upstream) of the Company.
- ii. Shri S. N. Mishra was appointed as COO(Mining) of the Company .
- iii. Shri Santosh V. Gawade was appointed as COO(Downstream) of the Company (upto 10.06.2020)
- iv. Shri Prashant Malusare was appointed as COO (Downstream) of the Company w.e.f. 11th June, 2020.

AUDITOR

M/s. Harichandan Karan and Associates, Chartered Accountants, Cuttack were appointed as Auditors of the Company for the financial year 2019-20.

The Statutory Auditors for the financial year 2020-21 will be appointed by the CAG. However, their remuneration is to be fixed at the AGM by the members.

AUDITORS' REPORT

The Auditors' Report does not contain any qualification.

TALCHER FERTILIZERS LIMITED

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DEMATERILISATION OF SHARES

During the year, your Company has dematerialised the equity shares of the Company With National Securities Depository Limited on 12th March, 2019. International Securities Identification Number allotted to your Company is INE06EL01015.

REGISTRAR AND TRANSFER AGENT

Your Company has appointed the NSDL Database Management Limited (NDML) as Registrar and Transfer Agent (RTA). The details of NDML is as under:

NSDL Database Management Limited
RTA Division
4th Floor, Trade World A Wing,
Kamala Mills Compound
Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013

PARTICULARS OF EMPLOYEES

There were no employees in the Company during the period that is in receipt of remuneration in excess of the limits specified under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

MEETINGS

During the year, Eighteen (18) meetings were held by the Board of Directors viz. on - 23rd April, 2019, 13th May, 2019, 14th May, 2019, 23rd May, 2019, 7th June, 2019, 24th June, 2019, 2nd July, 2019, 9th July, 2019, 15th July, 2019, 23rd July, 2019, 7th August, 2019, 9th August, 2019, 28th /29th August, 2019, 11th September, 2019, 17th October, 2019, 20th November, 2019 (Adjourned), 12th December, 2019, 21st January, 2020 & 4th March, 2020.

TALCHER FERTILIZERS LIMITED

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CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pertaining to Conservation of energy, technology absorption and foreign exchange earnings and out go requires to be disclosed as per Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014, has been given as under:

- Energy Conservation : N.A.
- Technology Absorption : N.A.
- Foreign Exchange earning and outgo: Nil

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 134(3) (c) of the Companies Act, 2013, your Directors state that:

- i] in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii] such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the loss of the Company for the period;
- iii] proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv] the annual accounts have been prepared on a going concern basis;
- v] systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

TALCHER FERTILIZERS LIMITED

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INTERNAL FINANCIAL CONTROL OVER FINANCIAL REPORTING

Your 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. Your Company's internal financial control over financial reporting includes those policies and procedures that:

- 1 pertains 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.

PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of Loans given, Investments made, Guarantees given and securities provided along with the purpose for which the loan or guarantee or security is nil during the year.

RELATED PARTY TRANSACTIONS:

All contracts/arrangement/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

TALCHER FERTILIZERS LIMITED

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None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company.

a. Cost of Salary and travelling exp. etc. of employees /advisors:

Amount in lakh

Sr. No.	Name of related party	Year ended 31.03.2020	Year ended 31.03.2019
1	Coal India Limited	310.61	322.34
2	GAIL India Limited	1052.09	1037.21
3	Rashtriya Chemicals and Fertilizers Limited	206.77	308.12

b. Cost of Rent and electricity for office space

Amount in lakh

Sr. No.	Name of related party	Year ended 31.03.2020	Year ended 31.03.2019
1	GAIL India Limited	278.47	30.58
2	Rashtriya Chemicals and Fertilizers Limited	2.15	7.10

c. Meeting expenses

Amount in lakh

Sr. No.	Name of related party	Year ended 31.03.2020	Year ended 31.03.2019
1	Rashtriya Chemicals and Fertilizers Limited	3.84	2.86

COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND RELATED DISCLOSURES

Talcher Fertilizers Limited is a Joint Venture Company incorporated by RCF, GAIL, CIL & FCIL. As per Clause 7(b) of Joint Venture Agreement and Article 102(ii) of Articles of Association of the Company, the Board of the Company shall be of seven (7) Directors, two (2) each shall be nominated by CIL, GAIL and RCF and one (1) shall be nominated by the FCIL..Out of 7 Directors, the Company will have three (3) whole time Directors, namely Director (Operations), Director (Finance) and Managing Director (MD)

TALCHER FERTILIZERS LIMITED

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SECRETARIAL AUDIT

In pursuance to Section 204 of Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. Dholakia & Associates LLP, a firm of Company Secretaries in Practice (C.P. No. 977) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report along with observation and management reply are annexed as **Annexure I** and forms an integral part of this Report.

MANAGEMENT REPLY ON SECRETARIAL AUDIT REPORT

M/s. Dholakia & Associates, LLP, Practising Company Secretaries, Secretarial Auditor of the Company has made certain observations in their Secretarial Audit Report. Since the comments made by Secretarial Auditor are in the nature of factual statement, Company does not have any comments to offer on the same.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the year, no complaint of Sexual Harassment of Women at Workplace was received by your Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

SECRETARIAL STANDARDS

During the year 2019-20, your Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the Regulators/Courts/Tribunals that would impact the going concern status of the Company and its future operations

TALCHER FERTILIZERS LIMITED

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EXTRACT OF ANNUAL RETURN:

As per the requirements of section 92(3) of the Companies Act and rules framed hereunder, the extract of Annual Return in form MGT-9 is annexed to this Report as **Annexure II** and form an integral part of this report. The same is available on the Company's website <http://tflonline.co.in>.

ACKNOWLEDGEMENT

Your Directors wish to gratefully acknowledge the valuable guidance and support extended by the Department of Fertilizers, Government of India, State Government, Bankers, PDIL and the promoters.

**For and on behalf of the board
Talcher Fertilizers Limited**

**Sd/-
(Binay Dayal)
Chairman
DIN: 07367625**

Place: Kolkata

Date: August 31, 2020

Designated Partners
CS Bhumitra V. Dholakia
 B.A., LL.B., C.A.I.I.B., FCS.
CS Nrupang B Dholakia
 B.Com., FCS, LLB, M.B.L., D.C.L., F.P.CORP

DHOLAKIA
& ASSOCIATES LLP

COMPANY SECRETARIES

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Issued in Pursuance to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with modifications as deemed necessary, without changing the substance of format given in MR-3]

To,
 The Members,
Talcher Fertilizers Limited
 Plot 2/H, Kalpana Area,
 BJB Nagar, Khurda,
 Bhubaneshwar Khordha,
 Orissa - 751014

We have conducted the secretarial audit through electronic platform to verify the documents by our authorized person(s) during the lock down period, of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Talcher Fertilizers Limited (CIN U24120OR2015PLC019575)** (hereinafter called 'the Company') for the financial year ended 31st March, 2020. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

A. In expressing our opinion, it must be noted that-

- i. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis of our opinion.
- iii. We have not verified correctness and appropriateness of financial records and books of accounts of the Company.



- iv. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
 - v. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the online verification of procedures on test basis.
 - vi. 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.
- B. Based on online verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-process (duly evolved) and compliance-mechanism in place to the extent and as applicable to the Company, in the manner and subject to the reporting made hereinafter:
- C. We have conducted an online examination of the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 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 thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of facilitating the shareholders to convert their physical shares in dematerialized form and issue and allotment of further equity shares in dematerialized form ;
 - IV Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing (The Company has not undertaken any of the activities during the audit period);



- V None of the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are applicable to the Company except The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- VI Since, the Company is yet to commence business, no special act is applicable to the Company.
- D. We have also examined compliance of the applicable clauses of the Secretarial Standards in respect of Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) as amended from time to time 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, Standards etc. subject to the following observations:

- (a) The Company is a Joint Venture Company promoted by Rashtriya Chemicals and Fertilizers Limited (RCF), Coal India Limited (CIL), GAIL (India) Limited (GAIL) and Fertilizer Corporation of India Limited (FCI) hence forth collectively referred to as ("JV Partners") along with their nominee(s). As per Article No. 102 of the Articles of Association with respect to constitution of Board of Directors of the Company, the number of directors at any given point of time shall not be less than 7 members as nominated by JV Partners. During the period under review, the constitution of Board was reduced below the requisite number of 7 members for the period from 1st October, 2019 to 19th November, 2019 and from 8th February, 2020 to 3rd March, 2020, due to non appointment of Nominee Director(s) by the JV Partners. No Board Meeting was held during the period.
- (b) We understand that the Company has facilitated its shareholders to dematerialize their shares and the JV Partners holding the equity shares in the Company were in process of converting their equity shares in dematerialized form. We further note that in order to infuse funds in the Company to provide the required impetus to the on-going project, the Company had issued and allotted equity shares on rights basis in dematerialized mode to its JV Partners on 11th June, 2019 and 8th January, 2020 respectively, pending dematerialization of original equity shares held by the JV Partners as required under Rule 9(A) of The Companies (Prospectus and allotment of Securities) Rules, 2014, before going for further issue of share.

E. We further report that-

- I. Subject to what is stated herein above as regards with constitution of the Board, the changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act;



- II. Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance for meetings 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;
- III. There was no instance of director expressing any dissenting views as all the decision is carried out through unanimous consent.
- F. We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- G. We further report that during the audit period:
- a. (i)The Company has altered clause 5 of Memorandum of Association and Article 4(1)(a) of the Articles of Association to give effect of increase in authorized capital of the Company.
- (ii)The Company has increased its authorized share capital from Rs.1,00,00,00,000 (Rupees One Hundred Crore only) divided into 10,00,00,000 (Ten Crore) Equity Shares of Rs.10/- (Rupees Ten) each to Rs.42,00,00,00,000/- (Rupees Four Thousand Two Hundred Crore Only) divided into 4,20,00,00,000 (Four Hundred Twenty Crore) Equity Shares of Rs.10/- (Rupees Ten) each.
- b. The Company has issued and allotted 42,94,80,717 equity shares of Rs.10/- each aggregating to Rs. 429,48,07,170/- on rights basis to its JV Partners in two tranches.
- c. The Company at its Annual general meeting held on 26th September, 2019, has passed the resolutions under section 180 (1)(c) of the Companies Act, 2013, fixing its borrowing powers up to Rs.10,000 Crore (Rupees Ten Thousand Crore Only) and under section 180 (1)(a) for creation of security on the properties of the Company, both present and future, in favour of lender in respect of such borrowings.



Except the above, none of the following events has taken place

- I. Redemption/buy-back of securities.
- II. Merger/Amalgamation/Reconstruction, etc.
- III. Foreign Technical Collaborations.

Place: Mumbai

Date: 7th August, 2020

UDIN: F000977B000558041

For DHOLAKIA & ASSOCIATES LLP
(Company Secretaries)



CS Bhumitra V. Dholakia
Designated Partner
FCS-977 CP No. 507

Annexure II

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. Registration and Other Details					
(i)	CIN	U24120OR2015PLC019575			
(ii)	Registration Date	13 th November, 2015			
(iii)	Name of the Company	Talcher Fertilizers Limited			
(iv)	Category/Sub-category of the Company	Company Limited by Shares/ Non Government Company			
(v)	Address of the Registered Office and contact details	Plot 2/H, Kalpana Area, BJB Nagar, Khordha, Bhubaneswar – 751014			
(vi)	Whether Listed Company	No			
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable			
II. Principal Business Activities of the Company					
All the business activities contributing 10% or more of the total turnover of the Company shall be stated:					
Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company #		
1.	Not Applicable	Not Applicable	Not Applicable		
III. Particulars of Holding, Subsidiary and Associates Companies					
Sl No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associates	% of shares held	Applicable Section
1.	Not Applicable				

IV. Share Holding Pattern (Equity Share Capital Break up as percentage of Total Equity)

i) Category-wise Shareholding										
Sr. No	Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 st April, 2019)				No. of Shares held at the end of the year (As on 31 st March 2020)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters									
[1]	Indian									
(a)	Individuals / HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Govt.	0	0	0	0.00	0.00	0	0.00	0.00	0.00
(c)	State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corp.	0	4,90,38,70 4	4,90,38,70 4	100.00	46216985 2	16349569	478519421	100.00	0.00
(e)	Banks/FI	0	0	0	0.00	0	0		0.00	0.00
(f)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(1)	0	4,90,38,70 4	4,90,38,70 4	100.00	46216985 2	16349569	478519421	100.00	0.00
[2]	Foreign									
(a)	NRI-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other -Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00

i) Category-wise Shareholding										
Sr. No	Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 st April, 2019)				No. of Shares held at the end of the year (As on 31 st March 2020)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Total Shareholding of Promoter(A) = (A)(1) +(A)(2)	0	4,90,38,70 4	4,90,38,70 4	100.00	46216985 2	16349569	478519421	100.00	0.00
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds	0	0	0	0	0	0	0	0	0
(b)	Banks/FI	0	0	0	0	0	0	0	0	0
(c)	Central Govt.	0	0	0	0	0	0	0	0	0
(d)	State Govt.	0	0	0	0	0	0	0	0	0
(e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f)	Insurance Companies	0	0	0	0	0	0	0	0	0
(g)	FII's	0	0	0	0	0	0	0	0	0
(h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i)	Others(Specify)	0	0	0	0	0	0	0	0	0
	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
	UTI	0	0	0	0	0	0	0	0	0
	Sub Total (B)(1)	0	0	0	0	0	0	0	0	0
[2]	Non-Institutions									
(a)	Bodies Corporate									

i) Category-wise Shareholding										
Sr. No	Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2019)				No. of Shares held at the end of the year (As on 31st March 2020)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(i)	Indian	0	0	0	0	0	0	0	0	0
(ii)	Overseas	0	0	0	0	0	0	0	0	0
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	0	0	0	0	0	0	0	0	0
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	0	0	0	0	0
(c)	Others(Specify)	0	0	0	0	0	0	0	0	0
	Sub Total (B)(2)	0	0	0	0	0	0	0	0	0
	Total Public Shareholding(B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
	Total (A)+(B)	0	4,90,38,704	4,90,38,704	100.00	462169852	16349569	478519421	100.00	0.00
C	Shares held by Custodian & ADRs	0	0	0	0.00	0	0	0	0.000	0.00
	Total (A)+(B)+(C)	0	4,90,38,704	4,90,38,704	100.00	462169852	16349569	478519421	100.00	0.00

(ii) SHARE HOLDING OF PROMOTERS

SI No.	Promoter's Name	Shareholding at the beginning of the year (As on 1 st April, 2019)			Shareholding at the end of the year (As on 31 st March, 2020)			% change in shareholding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Rashtriya Chemicals and Fertilizers Limited*	1,63,44,568	33.33	0.00	15,95,04,807	33.33	0.00	0.00
2	Coal India Limited*	1,63,44,568	33.33	0.00	15,95,04,807	33.33	0.00	0.00
3	GAIL (India) Limited*	1,63,44,568	33.33	0.00	15,95,04,807	33.33	0.00	0.00
4	Fertilizer Corporation of India Limited	5000	0.01	0.00	5000	0.01	0.00	0.00

* Includes shares held through nominee

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

Sl. No.	Name of Promoter Shareholders	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Rashtriya Chemicals and Fertilizers Limited*	1,63,44,568	33.33	1 st April, 2019				
				7 th June, 2019	1,65,00,000	Right Issue	3,28,44,568	33.33
				8 th January, 2020	12,66,60,239	Right Issue	15,95,04,807	33.33
				31 st March, 2020			15,95,04,807	33.33
2	Coal India Limited*	1,63,44,568	33.33	1 st April, 2019				

				7 th June, 2019	1,65,00,000	Right Issue	3,28,44,568	33.33
				8 th January, 2020	12,66,60,239	Right Issue	15,95,04,807	33.33
				31 st March, 2020			15,95,04,807	33.33
3	GAIL (India) Limited*	1,63,44,568	33.33	1 st April, 2019				
				7 th June, 2019	1,65,00,000	Right Issue	3,28,44,568	33.33
				8 th January, 2020	12,66,60,239	Right Issue	15,95,04,807	33.33
				31 st March, 2020			15,95,04,807	33.33
4	Fertilizer Corporation of India Limited	5000	0.01	1 st April, 2019				
				31 st March, 2020			5,000	0.01

(iv) Shareholding Pattern of top Ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)								
Sl. No.	Name of the top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
Not applicable								

(v) Shareholding of Directors and Key Managerial Personnel					
Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	For each of the Directors and KMP				
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Share Holding during the year specifying	-	-	-	-

	the reason for increase / decrease (e.g. allotment/ transfer /bonus /sweat equity etc.)				
	At the End of the year	-	-	-	-

V. INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but no due for payment				
Rs. in Crore				
	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year	Nil	Nil	Nil	Nil
(i) Principal Amount				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year	Nil	Nil	Nil	Nil
• Addition				
• Reduction				
Net Change				
Indebtedness at the end of the financial year	Nil	Nil	Nil	Nil
(i) Principal Amount				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL						
A. Remuneration to Managing Director, Whole-time Directors and /or Manager						Not Applicable
in `						
Sl. No.	Particulars to Remuneration	Name of MD/WTD/Manager				Total Amount
1.	Gross Salary a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 b) Value of perquisites u/s 17(2) Income Tax Act, 1961 c) Profits in lieu of salary under section 17(3) Income tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of Profit - others, specify ...					
5.	Others i.e. PF, Pension, Leave encashment and medical expenses					
	Total (A)					
	Ceiling as per the Act					

B. Remuneration to other directors (in `) Not Applicable			
Sl No.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors <ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 		

B. Remuneration to other directors (in `) Not Applicable			
Sl No.	Particulars of Remuneration	Name of Directors	Total Amount
	Total (1)		
2.	Other Non-Executive Directors <ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 		
	Total (2)	-	-
	Total (B)= (1+2)		
	Total Managerial Remuneration(A+B)		
	Overall Ceiling as per the Act		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD						
Sl No.	Particulars of Remuneration	Key Managerial Personnel				
		Shri Partha Jana, CEO	Shri Sunil Dutt, CFO Upto 15.01.2020	Shri Avijit Goswami, CFO w.e.f. 31.01.2020	Shri Rupesh Tawde, Company Secretary	Total
1.	Gross Salary a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	83.51	42.89	8.23	Nil	Nil

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD						
Sl No.	Particulars of Remuneration	Key Managerial Personnel				
		Shri Partha Jana, CEO	Shri Sunil Dutt, CFO Upto 15.01.2020	Shri Avijit Goswami, CFO w.e.f. 31.01.2020	Shri Rupesh Tawde, Company Secretary	Total
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - As % of profit - Others, specify					
5.	Others, i.e. PF, Pension and Leave encashment					
	Total	83.51	42.89	8.23		

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES					
Type	Section of the Companies Act	Brief Description	Details of Penalty /punishment/compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty	Nil				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	Nil				
Punishment					
Compounding					
C. Other officer in Default					

Penalty	Nil
Punishment	
Compounding	

HARICHANDAN KARAN & ASSOCIATES**CHARTERED ACCOUNTANTS**

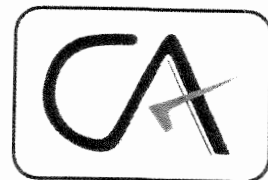
HEAD OFFICE (BHUBANESWAR)

Duplex II, Appolo Ashiyana Appartment Complex
Palasuni, Rasulgarh, Bhubaneswar - 751010
Odisha

CUTTACK

4D/1224, CDA, Sector - 10
Cuttack - 753014
Odisha

ROURKELA

No.3, Sail Market
Rourkela-769001
Odisha**INDEPENDENT AUDITOR'S REPORT**

To
The Members,
M/s TALCHER FERTILIZERS LTD.

We have audited the accompanying Ind AS Financial statements of M/s TALCHER FERTILIZERS LTD. ("the company"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, Cash flow Statement and Statement of changes in Equity for the year then ended, and notes to the financial statements, including a summary of 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 stand alone 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 march 31, 2020 and Profit & Loss, change in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

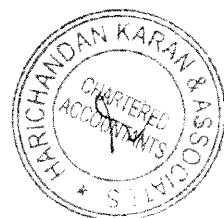
Key audit matters are those matters that in our professional judgment were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2016. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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.

In preparing the 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. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

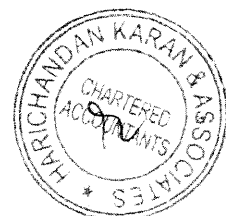


Auditors' responsibility

Our objectives are to obtain reasonable assurance about whether the 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 materials misstatement can arise from fraud or error and are considered materials if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 omission, misrepresentation, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the act, 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

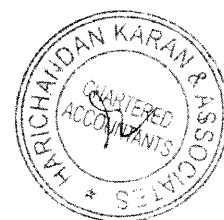


Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statement may be influenced. We consider quantitative materiality and quantitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

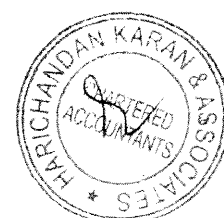


Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016, ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure-A** statement on the matters specified in paragraphs 3 and 4 of the said Order is applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of accounts required by law have been kept by the Company so as far as it appear from our examination of those
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the IndAS specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st march, 2020 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's report in according with Rule 1 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. There are no pending litigations requiring disclosure to impact of pending litigations on its financial position in its financial statements.
 - ii. The company does not have any long term contract including derivative contracts for which there were any material foreseeable losses.
 - iii. The company has not outside investor and it is a Joint Venture Four Public Sector Undertaking namely i.e. Coal India Ltd – 33.33% holding, Rashtriya Chemicals and Fertilisers Ltd – 33.33% holding, GAIL (India) Ltd – 33.33% holding and Fertiliser Corporation of India Ltd (5000) Shares Holding, so the matters regarding the investor Education and Protection Fund by the Company are not applicable to the company.



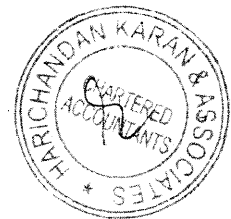
- h) As required by section 143(5) of the Companies Act 2013, our comments in regard to the directions and additional directions issued by the Comptroller & Auditor General of India is given in Annexure "C".

For Harichandan Karan & Associates
Chartered Accountants
FRN. : 326584E



CA Prahallad Karan
Partner
Membership No.: 066621

Place: Bhubaneswar
Date: 19/06/2020
UDIN: 20066621AAAAAR5241



ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Sl. No. (f) under 'Report on Other Legal Regulatory Requirement' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 M/s Talcher Fertilizers Ltd ("the Company") as on 31st March 2020 in conjunction with our audit of the financial statements of the Company or the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

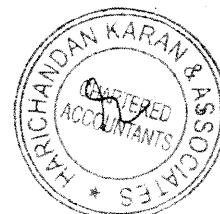
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 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 risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 details, 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 inherent financial controls over financial reporting, including the possibility of collusion or improper management override of controls, materials misstatement due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls 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

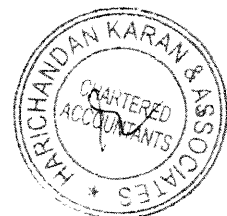
In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all materials respects, an adequate internal financial control system over financial reporting were operating effectively as at 31st March, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Harichandan Karan & Associates
Chartered Accountants
FRN. : 326584E



CA Prahallad Karan, FCA
Partner
Membership No.: 066621

Place: Bhubaneswar
Date: 19/06/2020
UDIN: 20066621AAAAAR5241



ANNEXURES-C: COMMENTS IN REGARD TO THE DIRECTIONS/ADDITIONAL DIRECTIONS UNDER SEC -143(5) ISSUED BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

PART-1:

SI No	Details/Directions	Auditor's Reply
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 implications, if any may be stated?	The Company Uses Tally Accounting Packaged to maintain Accounting System. In our view, there is no adverse implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications.
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.	As per the information's and explanation's given by the management, there is no restructuring of loan or cases of waiver/write off of debts/loans/interest etc made by a lender to the company.
3	Whether the funds received/receivable for specific schemes from central/ state agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	As per the information's and explanation's given by the management, no funds were received/receivable for specific schemes from Central/State agencies during the year.

PART-2 : ADDITIONAL DIRECTIONS UNDER SEC -143(5) ISSUED BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

SI No	Details/Directions	Auditor's Reply
1	Whether the company has conducted physical verification exercise of assets and properties at the time of merger/split/re-structure of an area. If so, whether the concerned subsidiary followed the requisite procedure?	Not applicable as there is no merger/split/restructuring of any area.
2	Any Other Comments	NIL

For Harichandan Karan & Associates

Chartered Accountants

FRN. : 326584E

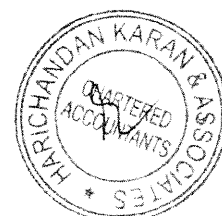
CA Prahallad Karan

Partner, Membership No.: 066621

Place: Bhubaneswar

Date: 19/06/2020

UDIN: 20066621AAAAAR5241



HARICHANDAN KARAN & ASSOCIATES**CHARTERED ACCOUNTANTS**

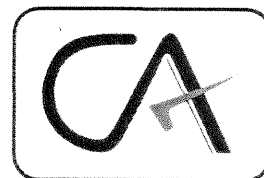
HEAD OFFICE (BHUBANESWAR)

Duplex II, Appolo Ashiyana Appartment Complex
Palasuni, Rasulgarh, Bhubaneswar - 751010
Odisha

CUTTACK

4D/1224, CDA, Sector - 10
Cuttack - 753014
Odisha

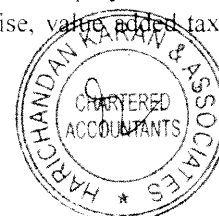
ROURKELA

No.3, Sail Market
Rourkela-769001
Odisha**Annexure-A****M/S TALCHER FERTILISERS LTD**

Annexure to the Independent Auditors' Report (Referred to in Paragraph I of "Report on Other Legal and Regulatory requirements' section of our Audit Report)

The Annexure referred to in our report to the members of **M/S TALCHER FERTILIZERS LTD.** for the year Ended on 31.03.2020. We report that:

1. Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - a. These fixed assets have been physically verified by the management at reasonable intervals, As per information's & explanations produced there is no material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account.
 - b. As per informations and explanations given to us, There is no immovable assets in the name of the company, which requires title deeds.
2. There is no inventory in the company, Therefore no physical verification of inventory has been conducted by the management and there is no material discrepancies were noticed.
3. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - a. whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest – Not applicable
 - b. whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular – Not Applicable
 - c. if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest- Not Applicable
4. In respect of loans, investments, guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied.
5. The company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. In our Opinion maintenance of cost records which has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and such accounts and records is not required to be maintained by the Company.
7. the company has no undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax,



cess and any other statutory dues to the appropriate authorities. As explained to us, there is no employees which is covered under PF & ESI, as the Employees are under Deputation.

There are no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.

8. The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised.
10. No fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year before us.
11. Managerial remuneration i.e Deputation cost is being reimbursed by group companies as per approval by the Board has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the standalone Ind AS financial statements etc. as required by the applicable accounting standards.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. If so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised- Not Applicable.
15. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company
16. The company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

For Harichandan Karan & Associates

Chartered Accountants

FRN. : 326584E



CA Prahallad Karan

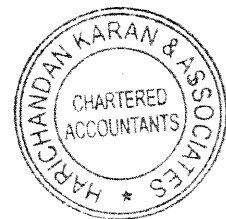
Partner

Membership No.: 066621

Place: Bhubaneswar

Date: 19/06/2020

UDIN: 20066621AAAAAR5241



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF TALCHER FERTILISERS LIMITED FOR THE YEAR ENDED 31 MARCH 2020

The preparation of financial statements of Talcher Fertilisers Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 19 June 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Talcher Fertilisers Limited for the year ended 31 March 2020 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, I would like to highlight 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. Comments on Financial Position

Assets

Non-Current Assets

Capital Work in Progress (Note-4) : ₹ 5506.47 lakh

(i) The above does not include an amount of ₹ 154.69 lakh being work done by two contractors upto March 2020. The company has booked capital work in progress of ₹3789.18 lakh as on 31 March 2020 for site enabling works as against the works completed of ₹ 3943.87 lakh by the Contractors.

This has resulted in understatement of 'Capital Work in Progress' and 'Financial Liabilities' by ₹ 154.69 lakh.

(ii) The above also does not include ₹ 430.99 lakh incurred on renovation of administration building during the year 2019-20. The buildings already existed on the land provided by the Fertilizer Corporation of India Limited and physical possession of the land was with the Company. Since the expenditure was done on renovation to enhance the life of the existing building, the same should have accounted under capital work in progress (buildings) instead of pre-operative expenses.

This has resulted in understatement of 'Capital Work In Progress' and overstatement of 'Pre-Operative Expenses' by ₹ 430.99 lakh.

B. Notes to the Financial Statements

(i) Ministry of Environment, Forest and Climate Change had granted environment clearance in February 2018 to the Company's fertilizers project located at Angul district, Odisha Gorakhpur. As per condition attached with the environment clearance, at least 2.5 per cent of the total cost of the project (i.e. ₹ 13,277 crore) was to be earmarked towards Enterprise Social Commitment (ESC). Till March 2020, Company had spent ₹ 420.13 lakh for environment clearing and monitoring charges tree plantation. Company has represented for relaxation in the amount towards ESC which is pending. Since the relaxation was not granted by the Ministry till 31 March 2020, the amount corresponding to relaxation claimed (net of already expenditure incurred) i.e. ₹ 32,772.37 lakh and related facts should have been disclosed in the 'Notes to the Financial Statements'.

(ii) The Company had requested Department of Fertilizers (DoF) to formulate and finalize the subsidy policy for urea produced through coal gasification route which should have linkage of realization price of Urea with the raw material cost. However, the policy formulation was pending since June 2018. Company has informed that pending finalisation of subsidy policy has affected its funds raising activities. Further, the Company has also represented Ministry for waiver of interest during constructions (IDC) amounting to ₹ 1379 crore, non-recoverable GST, import duties, custom duties and other applicable levies to make the project viable, but no such waiver has been received till 31st March, 2020. Considering significance attached with these facts, the same should have been disclosed in the 'Notes to the Financial Statements'.

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

Place:

Date: 22.12.2020



**(Amitabh Prasad)
Principal Director of Audit
(Agriculture, Food & Water Resources)**

(Amount in ₹ lakhs)

	Note No.	As at	
		31.03.2020	31.03.2019
ASSETS			
Non-Current Assets			
(a) Property, Plant & Equipments	3	54.76	40.73
(b) Capital Work in Progress	4	5,506.47	886.91
(C) Other non-current assets	5	24,553.27	2,443.10
Total Non-Current Assets (A)		30,114.50	3,370.74
Current Assets			
(a) Financial Assets			
(i) Cash & Cash equivalents	6	23,371.62	1,707.79
(ii) Loans and advances	7	5.63	0.50
(b) Other Current Assets	8	1,743.87	499.45
Total Current Assets (B)		25,121.12	2,207.74
Total Assets (A+B)		55,235.62	5,578.48





BALANCE SHEET AS AT 31.03.2020

TALCHER FERTILIZERS LIMITED
(CIN: U24120OR2015PLC019575)

(Amount in ₹ lakhs)

Note No.	As at		
	31.03.2020	31.03.2019	
<u>EQUITY AND LIABILITIES</u>			
Equity			
(a) Equity Share Capital	9	47,851.94	4,903.87
(b) Other Equity	10	-2,172.79	-1,870.48
Total Equity (A)		45,679.15	3,033.39
Non-Current Liabilities (B)			
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	11	1,371.92	482.76
(ii) Other Financial Liabilities	12	528.72	45.33
(b) Other Current Liabilities	13	7,656.30	2,015.76
(c) Deferred Tax Liabilities (net)		-0.47	1.24
Total Current Liabilities (C)		9,556.47	2,545.09
Total Equity and Liabilities (A+B+C)		55,235.62	5,578.48

The Accompanying Notes No. 1 to 17 form an integral part of the Financial Statements.

As per our report annexed
For M/s Harichandan Karan & Associates
Chartered Accountants
Firm Registration No. 326584E

CA. Prahallad Karan, FCA
Partner
Membership No. 066621

Dated: 19/06/2020

Place: Bhubaneswar

UDIN: 20066621AAAAAR 5241

For and Behalf of Board of Directors
Talcher Fertilizers Limited

(B. Dayal)
Chairman
DIN: 07367625

(P. Jana)
CEO
PAN: ABQP1724J

(M. R. Meshram)
Director
DIN: 08195079

(A. Goswami)
CFO
PAN: ACBPG3949B

(S. D. Panadare)
Director
DIN: 07933191

(Rupesh Tawde)
Company Secretary
ACS 23311



Statement of Profit & Loss for the Year ended on 31st March 2020

(Amount in ₹ lakhs)

	Particulars	Note No	Year ended on 31.03.2020	Year ended on 31.03.2019
I.	Revenue from operations			-
II.	Other Income	14	578.27	94.67
III.	Total Revenue (I + II)		578.27	94.67
IV.	Expenses:			
	- Depreciation/Amortization/ Impairment	15	15.38	4.83
	- Other expenses	16	866.91	1,963.28
	Total Expenses (IV)		882.29	1,968.11
V.	Profit/(Loss) before exceptional items and tax (III - IV)		(304.02)	(1,873.44)
VI.	Exceptional Items		-	-
VII.	Profit before tax (V-VI)		(304.02)	(1,873.44)
VIII.	Tax expense:			
	-Current tax		-	-
	-Deferred tax		(1.71)	0.61
IX.	Profit/(Loss) for the period (VII -VIII)		(302.31)	(1,874.05)
X.	Other Comprehensive Income		-	-
XI.	Total Comprehensive Income for the period (IX+X)		(302.31)	(1,874.05)
XII.	Earning per equity share			
	(1) Basic		(0.06)	(3.82)
	(2) Diluted		(0.06)	(3.82)

The Accompanying Notes No. 1 to 17 form an integral part of the Financial Statements.

As per our report annexed
 For M/s Harichandan Karan & Associates
 Chartered Accountants
 Firm Registration No.326584E

CA.Prahalad Karan, FCA
 Partner
 Membership No. 066621

Dated: 19/06/2020

Place: Bhubaneswar

UDIN: J0066621AAAAAR5941

For and Behalf of Board of Directors
 Talcher Fertilizers Limited

(B. Dayal)
 Chairman
 DIN: 07367625

(M. R. Meshram)
 Director
 DIN:08195079

(S. D. Patil)
 Director
 DIN:07933191

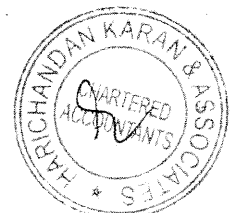
(P. Jana)
 CEO

(A. Goswami)
 CFO

(Rupesh Tawde)
 Company Secretary
 ACS 23311

PAN: ABQPJ7242J

PAN: ACBPG3949B



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2020
 (INDIRECT METHOD)

(Amount in ₹ lakhs)

Particulars	Year ended	Year ended
	31.03.2020	31.03.2019
I. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	(304.02)	(1,873.44)
Adjustments for : -		
Depreciation/Amortization/ Impairment	15.38	4.83
Interest income on bank deposits	(558.75)	(93.18)
Operating cash flow before working capital changes	(847.39)	(1,961.79)
(Increase) / Decrease in Loans & advances	(5.13)	(0.29)
(Increase) / Decrease in Other Current Assets	(961.45)	(404.93)
Increase / (Decrease) in Trade Payables	889.16	479.61
Increase / (Decrease) in Other Current Liabilities	5,640.54	1,940.98
Increase / (Decrease) in Other Financial Liability	483.39	37.90
CASH GENERATED FROM OPERATIONS	5,199.12	91.48
Less : Income Tax Paid	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	5,199.12	91.48
II. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed Assets	(29.41)	(40.01)
Increase in Non Current Assets	(22,110.17)	(1,834.27)
Increase in Capital Work in Progress	(4,619.56)	(820.65)
Interest income on bank deposits	275.78	63.39
NET CASH USED IN INVESTING ACTIVITIES	(26,483.36)	(2,631.54)
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase in Share Capital	42,948.07	3,398.87
NET CASH FLOW FROM FINANCING ACTIVITIES	42,948.07	3,398.87
NET INCREASE IN CASH AND CASH EQUIVALENTS	21,663.83	858.81
Opening balance of Cash & Cash equivalents (Refer Note 6 for components of cash & cash equivalents)	1,707.79	848.98
Closing balance of Cash & Cash equivalents (Refer Note 6 for components of cash & cash equivalents)	23,371.62	1,707.79

All figures in bracket represent outflow


As per our report annexed
 For M/s Harichandan Karan & Associates
 Chartered Accountants
 Firm Registration No.326584E

CA.Prahallad Karan,FCA
 Partner
 Membership No. 066621

Dated : 19/06/2020

Place: Bhubaneswar

UDIN: 20066621AAAAAR5241



 (B. Dayal)
 Chairman
 DIN: 07367625


 (P. Jana)
 CEO
 PAN: ABQPJ7242J


4

For and Behalf of Board of Directors
 Talcher Fertilizers Limited


 (M. R. Meshram)
 Director
 DIN:08195079


 (A. Goswami)
 CFO
 PAN: ACBPG3949B

(S. D. Panadare)
 Director
 DIN:07933191


 (Rupesh Tawde)
 Company Secretary
 ACS 23311



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2020
A. EQUITY SHARE CAPITAL

(Amount in ₹ lakhs)

Particulars	Balance as at 01.04.2018	Changes In Equity Share Capital during the year	Balance as at 31.03.2019	Balance as at 01.04.2019	Changes In Equity Share Capital during the period	Balance as at 31.03.2020
47,85,19,421 Equity Shares of ₹10/- each (4,90,38,704 Equity Shares of ₹10/- each)	1,505.00	3,398.87	4,903.87	4,903.87	42,948.07	47,851.94

B. OTHER EQUITY

	General Reserve	Retained Earnings	Total
Balance as at 01.04.2018	-	3.57	3.57
Total Comprehensive Income for the year	-	(1,874.05)	(1,874.05)
Addition/Adjustment during the year	-	-	-
Balance as at 31.03.2019	-	(1,870.48)	(1,870.48)
Balance as at 01.04.2019	-	(1,870.48)	(1,870.48)
Total Comprehensive Income for the period	-	(302.31)	(302.31)
Addition/Adjustment during the period	-	-	-
Balance as at 31.03.2020	-	(2,172.79)	(2,172.79)

As per our report annexed
 For M/s Harichandan Karan & Associates
 Chartered Accountants
 Firm Registration No. 326584E

CA. Prahallad Karan, FCA
 Partner
 Membership No. 066621

Dated: 19/06/2020
 Place: Bhubaneswar

UDIN: 2006662LAAAAAR524L

(B. Dayal)
 Chairman
 DIN: 07367625

(P. Janab)
 CEO

PAN: ABQPI7242J

For and Behalf of Board of Directors
 Talcher Fertilizers Limited

(M. R. Meshram)
 Director
 DIN: 08195079

(A. Goswami)
 CFO

PAN: ACBPG3049B

(S. D. Panadare)
 Director
 DIN: 07933191

(Rupesh Tawde)
 Company Secretary
 ACS 23311



NOTES TO THE FINANCIAL STATEMENTS**Note: 1 CORPORATE INFORMATION**

Talcher Fertilizers Limited is a public company domiciled in India and incorporated under The Companies Act applicable in India having its registered office at Plot 2/H, Kalpana Area, BJB Nagar, Khordha, Bhubaneswar, Odisha 751014, India.

The company is a Joint Venture between Coal India Limited, GAIL (India) Limited, Rashtriya Chemical and Fertilizers Limited and Fertilizer Corporation of India Limited. The objective of the company is to establish and operate new coal gasification based Fertilizer Complex (Ammonia Urea Complex) at Talcher Unit of FCIL, Odisha in India along with power plant and associated facilities at Talcher unit of FCIL and to market its products.

Note 2: SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of financial statements**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.1.1 Rounding of amounts

Amounts in these financial statements, unless otherwise indicated, have been rounded off to 'rupees in lakhs' upto two decimal points.

2.2 Current and non-current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current by the Company when:

- (a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- (b) it holds the asset primarily for the purpose of trading;
- (c) it expects to realise the asset within twelve months after the reporting period; or
- (d) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is treated as current by the Company when:

- (a) it expects to settle the liability in its normal operating cycle;
- (b) it holds the liability primarily for the purpose of trading;
- (c) the liability is due to be settled within twelve months after the reporting period; or
- (d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.



2.3 Revenue recognition

2.3.1 Revenue from sale of goods/services

Company recognises revenue from Sales of goods or services when obligation is performed i.e., after transferring a promised good or service to a customer.

When a performance obligation is satisfied, the company recognises as revenue the amount of the transaction price (which excludes estimates of variable consideration that are constrained) that is allocated to that performance obligation.

Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

The Revenue from Operation in the Financial Year is Nil. Where as revenue primarily derived from interest on accrual basis, where as Tender fees is recognized as and when received.

2.3.2 Interest

Interest income is recognised using the Effective Interest Method and accrual basis.

2.4 Property, Plant and Equipment (PPE)

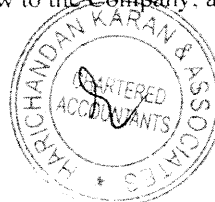
Item of all other Property, plant and equipment are carried at its cost less any accumulated depreciation and any accumulated impairment losses under Cost Model. The cost of an item of property, plant and equipment comprises:

- (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item depreciated separately. However, significant part(s) of an item of PPE having same useful life and depreciation method are grouped together in determining the depreciation charge.

Costs of the day to-day servicing described as for the 'repairs and maintenance' are recognised in the statement of profit and loss in the period in which the same are incurred.

Subsequent cost of replacing parts significant in relation to the total cost of an item of property, plant and equipment are recognised in the carrying amount of the item, if it is probable that future economic benefits associated with the item will flow to the Company; and the cost of the



item can be measured reliably. The carrying amount of those parts that are replaced is derecognised in accordance with the derecognition policy mentioned below.

When major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if it is probable that future economic benefits associated with the item will flow to the Company; and the cost of the item can be measured reliably. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised.

An item of Property, plant or equipment is derecognised upon disposal or when no future economic benefits are expected from the continued use of assets. Any gain or loss arising on such derecognition of an item of property plant and equipment is recognised in profit and Loss. Depreciation on property, plant and equipment is provided as per cost model on straight line basis over the estimated useful lives of the asset as follows:

Computers, Laptops and other accessories	: 3 Years
Office equipment	: 5 years
Furniture and Fittings	: 10 years

The estimated useful life of the assets is reviewed at the end of each financial year.

The residual value of Property, plant and equipment is considered as 5% of the original cost of the asset.

Depreciation on the assets added / disposed of during the year is provided on pro-rata basis with reference to the date of addition / disposal.

Fully depreciated assets, retired from active use are disclosed separately as surveyed off assets at its residual value under Property, plant Equipment and are tested for impairment.

2.5 Capital Work in Progress

Expenditure incurred for construction/manufacturing of capital asset which are directly related to the asset and are separately identifiable, are capitalized as work in progress. Such expenditures presently include expenditures for Site enabling works, for water supply plant, for Silo renovation/construction.

2.6 Pre-Operative expenses

Expenditure incurred for activities directly related to the project which are not identifiable for a particular capital assets are shown as Pre-operative expenses. These expenditures include costs incurred for feasibility studies, issuing tenders, sampling of coal and water, various consultancy fees, deputation cost of technical employees, other various project related expenses etc.

Such expenses are presently shown under Non-Current assets and will be apportioned appropriately among the cost of the assets capitalized when the commercial activities of the project will be started.

2.7 Impairment of Assets (other than financial assets)



The Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognised in the Statement of Profit and Loss.

2.8 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.8.1 Financial assets

2.8.1.1 Initial recognition and measurement

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

2.8.1.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

2.8.1.2.1 Debt instruments at amortised cost

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.



2.8.1.2.2 Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

2.8.1.2.3 Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

2.8.1.2.4 Equity investments in subsidiaries, associates and Joint Ventures

Investment in subsidiaries, associates and joint ventures are measured at cost.

2.8.1.2.5 Other Equity Investment

All other equity investments in scope of Ind AS 109 are measured at fair value through profit or loss.

For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

2.8.1.3 Derecognition

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

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2.8.1.4 Impairment of financial assets (other than fair value)

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Lease receivables under Ind AS 17
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

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

2.8.2 Financial liabilities

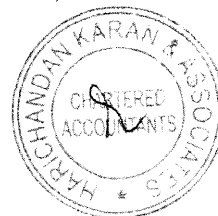
2.8.2.1 Initial recognition and measurement

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

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

2.8.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:



2.8.2.2.1 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

2.8.2.2.2 Financial liabilities at amortised cost

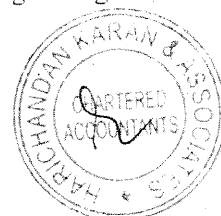
After initial recognition, these are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

2.8.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

2.8.3 Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.



The following table shows various reclassification and how they are accounted for

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

2.8.4 Offsetting of financial instruments

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

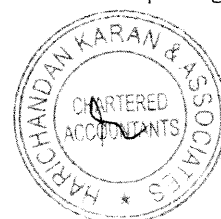
2.8.5 Cash & Cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Taxable profit differs from "profit before income tax" as reported in the statement of profit and loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.



Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are reassessed at the end of each reporting year and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.10 Foreign Currency

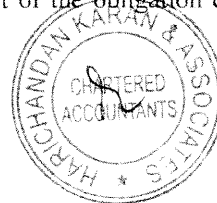
The company's reported currency and the functional currency for majority of its operations is in Indian Rupees (INR) being the principal currency of the economic environment in which it operates.

Transactions in foreign currencies are converted into the reported currency of the company using the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies outstanding at the end of the reporting period are translated at the exchange rates prevailing as at the end of reporting period. Exchange differences arising on the settlement of monetary assets and liabilities or on translating monetary assets and liabilities at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in statement of profit and loss in the period in which they arise.

Non-monetary items denominated in foreign currency are valued at the exchange rates prevailing on the date of transactions.

2.11 Provisions, Contingent Liabilities & Contingent Assets

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



Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the company, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent Assets are not recognised in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

2.12 Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per shares is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.13 Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period. Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

2.13.1 Judgements

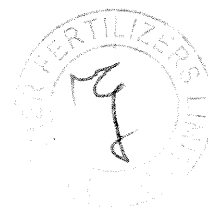
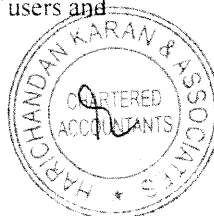
In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

2.13.1.1 Formulation of Accounting Policies

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a) relevant to the economic decision-making needs of users and
- b) reliable in that financial statements:



- (i) represent faithfully the financial position, financial performance and cash flows of the Company; (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form; (iii) are neutral, i.e. free from bias; (iv) are prudent; and (v) are complete in all material respects on a consistent basis

In making the judgement management refers to, and considers the applicability of, the following sources in descending order:

- (a) the requirements in Ind ASs dealing with similar and related issues; and
- (b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

In making the judgement, management considers the most recent pronouncements of International Accounting Standards Board and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

The financial statements are prepared on going concern basis using accrual basis of accounting.

2.13.1.2 Materiality

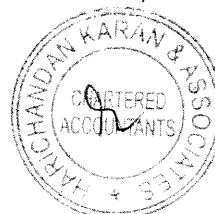
Ind AS applies to items which are material. Management uses judgement in deciding whether individual items or groups of item are material in the financial statements. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission or misstatement could individually or collectively influence the economic decisions that users make on the basis of the financial statements. Management also uses judgement of materiality for determining the compliance requirement of the Ind AS. In particular circumstances either the nature or the amount of an item or aggregate of items could be the determining factor. Further the Company may also be required to present separately immaterial items when required by law.

2.13.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.13.2.1 Impairment of non-financial assets

There is an indication of impairment if, the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed and further explained in respective notes.



2.13.2.2 Taxes

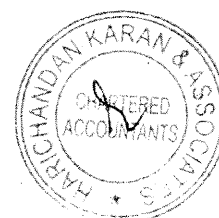
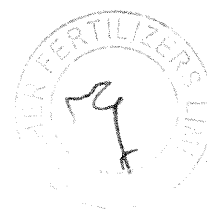
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

2.13.2.3 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using generally accepted valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk, volatility and other relevant input /considerations. Changes in assumptions and estimates about these factors could affect the reported fair value of financial instruments.

2.14 Abbreviation used:

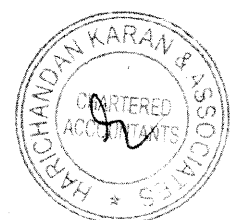
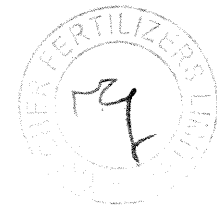
a.	CGU	Cash generating unit
b.	DCF	Discounted Cash Flow
c.	FVTOCI	Fair value through Other Comprehensive Income
d.	FVTPL	Fair value through Profit & Loss
e.	Ind AS	Indian Accounting Standards
f.	OCI	Other Comprehensive Income
g.	P&L	Profit and Loss
h.	PPE	Property, Plant and Equipment
i.	SPPI	Solely Payment of Principal and Interest
j.	EIR	Effective Interest Rate



NOTES TO THE FINANCIAL STATEMENTS
NOTE 3 : PROPERTY , PLANT AND EQUIPMENT

(Amount in ₹ lakhs)

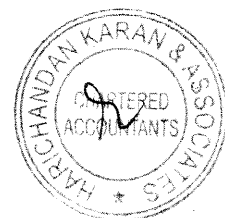
	Furnitures & Fixtures	Office Equipment	Computer	Air Conditioner	Total
Gross Carrying Amount:					
As at 1 April 2018	0.68	0.43	4.19	0.75	6.05
Additions	19.57	6.17	7.30	6.97	40.01
Deletions/Adjustments	-	-	-	-	-
As at 31 March 2019	20.25	6.60	11.49	7.72	46.06
As at 1 April 2019	20.25	6.60	11.49	7.72	46.06
Additions	12.00	12.92	4.49	-	29.41
Deletions/Adjustments	-	-	-	-	-
As at 31 March 2020	32.25	19.52	15.98	7.72	75.47
Accumulated Depreciation and Impairment					
As at 1 April 2018	0.02	0.02	0.41	0.05	0.50
Charge for the period	0.96	0.53	2.37	0.97	4.83
Impairment	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-
As at 31 March 2019	0.98	0.55	2.78	1.02	5.33
As at 1 April 2019	0.98	0.55	2.78	1.02	5.33
Charge for the period	5.99	2.93	4.99	1.47	15.38
Impairment	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-
As at 31 March 2020	6.97	3.48	7.77	2.49	20.71
Net Carrying Amount					
As at 31 March 2020	25.28	16.04	8.21	5.23	54.76
As at 31 March 2019	19.27	6.05	8.71	6.70	40.73



NOTES TO THE FINANCIAL STATEMENTS
NOTE 4 : CAPITAL WIP

(Amount in ₹ lakhs)

	Land & Development	Water plant	Silo	Pre-project Electrical works	Roads & Culverts	Total
Gross Carrying Amount:						
As at 1 April 2018	66.26	-	-	-	-	66.26
Additions	602.24	213.41	5.00	-	-	820.65
Capitalisation/ Deletions	-	-	-	-	-	-
As at 31 March 2019	668.50	213.41	5.00	-	-	886.91
As at 1 April 2019	668.50	213.41	5.00	-	-	886.91
Additions	3,120.68	417.75	-	939.96	141.17	4,619.56
Capitalisation/ Deletions	-	-	-	-	-	-
As at 31 March 2020	3,789.18	631.16	5.00	939.96	141.17	5,506.47
Provision and Impairment						
As at 1 April 2018						-
Charge for the period						-
Impairment						-
Deletions/Adjustments						-
As at 31 March 2019	-	-	-	-	-	-
As at 1 April 2019						-
Charge for the period						-
Impairment						-
Deletions/Adjustments						-
As at 31 March 2020	-	-	-	-	-	-
Net Carrying Amount						
As at 31 March 2020	3,789.18	631.16	5.00	939.96	141.17	5,506.47
As at 31 March 2019	668.50	213.41	5.00	-	-	886.91



TALCHER FERTILIZERS LIMITED
(CIN: U24120OR2015PLC019575)

NOTES TO THE FINANCIAL STATEMENTS
NOTE 5 : OTHER NON-CURRENT ASSETS

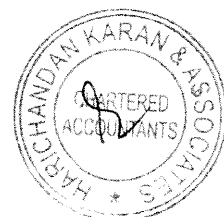
(Amount in ₹ lakhs)

As at

	<u>31.03.2020</u>	<u>31.03.2019</u>
Pre Operative Exp	6,369.61	2,443.10
Capital Advances:		
- Advance for Coal Gasification Plant (LSTK)	17,797.26	-
- Advance for advertisement	0.38	-
- Advance to OFDC	338.63	-
- Advance to OPTCL	3.54	-
- Advance to CESU for Supply of Power to Intake Well	23.36	-
- Advance for RoR	4.34	-
- Advance to NICSI	16.15	-
Total	<u>24,553.27</u>	<u>2,443.10</u>

* Pre-operative expenses upto 31.03.2019 includes Deputation cost of employees of Rs. 717.57 lakhs for cost of employees provided by GAIL upto 31.03.2019.

The claim for above costs received during the Quarter ended 30.06.2019 from GAIL and hence accounted for as prior period item in current financial year.

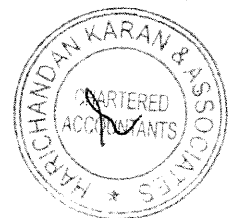


TALCHER FERTILIZERS LIMITED
(CIN: U24120OR2015PLC019575)

NOTES TO THE FINANCIAL STATEMENTS
NOTE 6 : CASH AND CASH EQUIVALENTS

(Amount in ₹ lakhs)

	As at	
	31.03.2020	31.03.2019
Balances with Banks		
- in Deposit Accounts	23,330.54	1,351.09
- in Current Accounts	41.08	356.70
Cash on hand	-	-
Total	23,371.62	1,707.79



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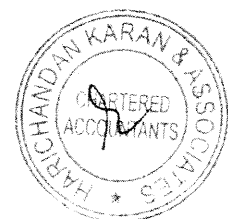
TALCHER FERTILIZERS LIMITED
(CIN: U24120OR2015PLC019575)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 : SHORT TERM LOANS AND ADVANCES

(Amount in ₹ lakhs)

	As at	
	31.03.2020	31.03.2019
- Advance to employees	5.55	0.50
- Advance to NSDL	0.01	-
- Advance to NDML	0.07	-
Total	5.63	0.50



TALCHER FERTILIZERS LIMITED
(CIN: U24120OR2015PLC019575)

NOTES TO THE FINANCIAL STATEMENTS
NOTE 8 : OTHER CURRENT ASSETS

(Amount in ₹ lakhs)

	As at	
	31.03.2020	31.03.2019
- TDS Receivable	66.29	10.17
- GST Receivable	729.49	427.15
- GST Refundable	9.48	1.02
- GST unclaimed ¹	569.38	20.70
- Accrued Interest	318.93	35.96
- Security deposits	46.55	1.60
- Advance to creditors	-	1.22
- Prepaid expenses	3.75	1.63
Total	1,743.87	499.45

1. GST unclaimed of Rs. 569.38 lakhs (Rs. 20.70 lakhs) represents the amount of GST claimable as input tax credit. However, ITC reversed due to non-payment of the invoiced amount within six months period.



NOTES TO THE FINANCIAL STATEMENTS

NOTE - 9 : EQUITY SHARE CAPITAL

(Amount in ₹ lakhs)

As at

<u>Authorised</u>	<u>31.03.2020</u>	<u>31.03.2019</u>
420,00,00,000 Equity Shares of ₹10/- each (5,00,00,000 Equity Shares of ₹10/- each)	4,20,000.00	5,000.00
	<u>4,20,000.00</u>	<u>5,000.00</u>
<u>Issued, Subscribed and Paid-up</u>		
47,85,19,421 Equity Shares of ₹10/- each (4,90,38,704 Equity Shares of ₹10/- each)	47,851.94	4,903.87
	<u>47,851.94</u>	<u>4,903.87</u>

1. Shares in the company held by each shareholder holding more than 5% Shares

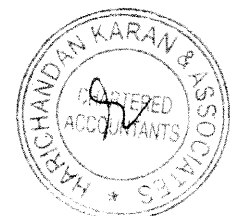
Name of Shareholder	31.03.2020		31.03.2019	
	No. of Shares Held (Face value of ₹10 each)	% of Total Shares	No. of Shares Held (Face value of ₹10 each)	% of Total Shares
Coal India Limited	15,95,04,807	33.33	1,63,44,568	33.33
Rashtriya Chemicals and Fertilisers Ltd.	15,95,04,807	33.33	1,63,44,568	33.33
GAIL (India) Ltd.	15,95,04,807	33.33	1,63,44,568	33.33
Fertiliser Corporation of India Ltd.	5,000	0.001	5,000	0.01

2. The Company has only one class of equity shares having a face value ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meeting of shareholders.

3. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	31.03.2020	31.03.2019
Shares outstanding at the beginning of the period	4,90,38,704	1,50,50,000
Shares Issued during the period*	42,94,80,717	3,39,88,704
Shares bought back during the period	-	-
Shares outstanding at the end of the period	<u>47,85,19,421</u>	<u>4,90,38,704</u>

*During the Year ended 31.03.2020, 14,31,60,239 number of shares have been issued to each company i.e. CIL, GAIL and RCF, totalling to 42,94,80,717 number of shares.



TALCHER FERTILIZERS LIMITED
(CIN: U24120OR2015PLC019575)

NOTES TO THE FINANCIAL STATEMENTS
NOTE 10 : OTHER EQUITY

(Amount in ₹ lakhs)

	General Reserve	Retained Earnings	Total
Balance as at 01.04.2018	-	3.57	3.57
Total Comprehensive Income for the year	-	(1,874.05)	(1,874.05)
Addition/Adjustment during the year	-	-	-
Balance as at 31.03.2019	-	(1,870.48)	(1,870.48)
Balance as at 01.04.2019	-	(1,870.48)	(1,870.48)
Total Comprehensive Income for the period	-	(302.31)	(302.31)
Addition/Adjustment during the period	-	-	-
Balance as at 31.03.2020	-	(2,172.79)	(2,172.79)





TALCHER FERTILIZERS LIMITED
(CIN: U24120OR2015PLC019575)

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 11 : TRADE PAYABLES

(Amount in ₹ lakhs)

As at

31.03.2020 31.03.2019

Current

Trade Payables for Micro, Small and Medium Enterprises

70.91

9.63

Other Trade Payables for goods and services

103.84

81.31

Other Trade Payables for capital expenditure

1,197.17

391.82

TOTAL

1,371.92

482.76





TALCHER FERTILIZERS LIMITED
(CIN: U24120OR2015PLC019575)

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 12 : OTHER FINANCIAL LIABILITIES

(Amount in ₹ lakhs)

	As at	
	31.03.2020	31.03.2019
Statutory dues		
- TDS	204.70	42.66
- GST TDS	311.50	-
- GST payable	7.82	-
- BOCW cess	4.70	2.67
TOTAL	528.72	45.33



NOTES TO THE FINANCIAL STATEMENTS
NOTE - 13 : OTHER CURRENT LIABILITIES

(Amount in ₹ lakhs)

	As at	
	31.03.2020	31.03.2019
Earnest Money	102.72	81.15
Retention Money	3,473.52	116.39
Security deposits	23.56	20.43
Liability for cost of employees on deputation ¹	3,716.44	1,741.27
Audit fee payable	0.16	0.16
Provision for Expenses Payable ²	338.75	55.21
Other liabilities	1.15	1.15
TOTAL	7,656.30	2,015.76

1. Based on decision taken in 32nd meeting of Board of directors of the company held on 21.11.2018, the cost of salary and other expenses on travelling, hotel etc for the manpower provided by the JV partners has been booked and kept as liability w.e.f 01.04.2017.

The cost of technical employees of Rs. 2439.09 lakhs (31.03.2019 Rs. 1194.81 lakhs) has been capitalized as pre-operative expenditure and cost of non-technical employees of Rs. 316.22 lakhs (31.03.2019 Rs. 464.53 lakhs) has been charged to revenue during the period.

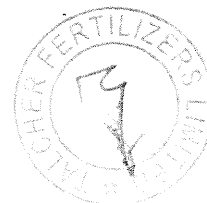
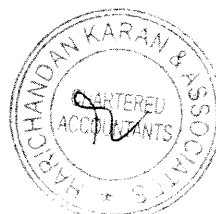
The liability for cost of employees on deputation above includes an amount of Rs. 715.51 lakhs (Rs. 356.17 lakhs) for CIL, Rs. 2423.59 lakhs (Rs. 1037.21 lakhs) for GAIL and Rs. 577.34 lakhs (Rs. 347.90 lakhs) for RCF.

The requirement of statutory deductions and deposit with respective authorities (viz. PF, ESIC, TDS etc) is being fulfilled by JV companies only.

The claim for deputation cost of employees provided by GAIL upto 31.03.2019 and the office rent-Noida for office space provided by GAIL upto 31.05.2018 has been received during the Quarter ended 30.06.2019 from GAIL and hence accounted for as prior period item in current financial year.

The cost of such rent for 01.04.2017 to 31.05.2018 has been revised by GAIL during Quarter 4 of FY 2019-20 hence the differential amount also has been accounted for during current financial year. Further the estimated cost of rent from 01.06.2018 to 31.03.2020 has also been accounted for during current financial year.

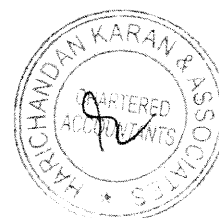
2. Provision for expenses payable includes Rs. 10.03 lakhs (Rs. 7.71 lakhs) and Rs. 281.04 lakhs (Rs. 30.58 lakhs) towards Rent and electricity charges payable for building of RCF at Bhubaneswar and building of GAIL at Noida respectively. The same has been kept as liability based on decision taken in 32nd meeting of Board of directors of the company held on 21.11.2018. Provision for expenses payable also includes expenditure incurred for consultancy cost towards retired employees appointed as advisor in the company.



NOTES TO THE FINANCIAL STATEMENTS
NOTE - 14 : OTHER INCOME

(Amount in ₹ lakhs)

	Year ended on 31.03.2020	Year ended on 31.03.2019
Interest from deposits with banks	558.75	93.18
Tender fees	-	0.46
Misc. income	-	0.59
Liquidated damages	19.52	0.11
Provision write back	-	0.33
TOTAL	578.27	94.67





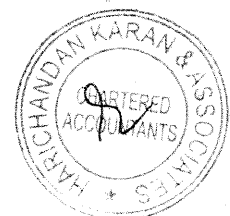
TALCHER FERTILIZERS LIMITED
(CIN: U24120OR2015PLC019575)

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 15 :DEPRECIATION/AMORTIZATION/IMPAIRMENT

(Amount in ₹ lakhs)

	Year ended on 31.03.2020	Year ended on 31.03.2019
Depreciation expense	15.38	4.83
TOTAL	15.38	4.83



NOTES TO THE FINANCIAL STATEMENTS
NOTE - 16 : OTHER EXPENSES

(Amount in ₹ lakhs)

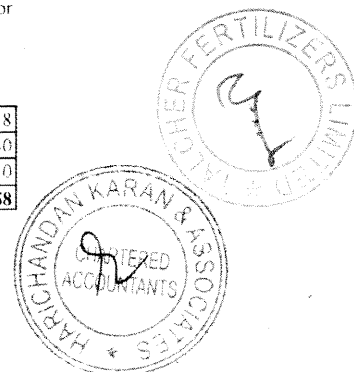
	Year ended on 31.03.2020	Year ended on 31.03.2019
ACF/AMC of NSDL and NDML	0.84	0.20
Advertisement expenses	11.76	-
Audit Fee	0.18	0.18
Bank charges	0.09	0.08
Board Meeting Expenses	3.84	2.86
Cable expenses	0.27	0.15
Canteen expenses	0.30	-
Computer Expenses	0.12	0.22
Consultancy charges	3.54	1.38
Courier charges	0.37	0.21
Deputation cost of employees*	305.81	461.37
Electricity Charges*	21.16	3.43
Fee to NSDL/NDML	0.07	-
Guest House expenses	1.65	-
Internet charges	2.25	4.60
Joining Fee-NSDL	-	0.15
IT Support service charges	2.84	-
Legal And Professional Fee	1.07	0.92
Lodging & Boarding exp- outsider	6.49	0.20
Meeting Expenses	12.40	1.97
Misc Expenses	1.37	0.36
Newspaper & Periodical Expenses	0.19	0.04
Office expenses	3.02	0.70
Office rent - Bhubaneswar	2.04	6.90
Office rent - Noida*	259.80	27.35
Printing & Stationary	8.86	5.44
Project Inaugration expenses	-	1,389.23
Purchase of digital signature	0.25	-
Refund of tender fee	0.63	-
Repair & maintenance	6.78	3.90
Roc Fee	173.97	37.56
Staff Welfare	0.33	0.71
Support Office Staff Services	14.06	6.26
Telephone Expenses	0.01	-
Translation Expenses	-	0.10
Transportation Expenses	0.02	0.05
Travelling Expenses	8.37	2.46
Travelling Exp of employees (Revenue)	10.42	3.16
Upkeep and Cleaning Expenses	0.62	0.33
Website Maintanance Charges	1.12	0.81
TOTAL	866.91	1,963.28

* Deputation cost of employees of Rs. 461.37 lakhs includes Rs. 319.63 lakhs for cost of employees provided by GAIL from 01.04.2017 to 31.03.2019. The office rent-Noida of Rs. 27.35 lakhs represents rent of office space provided by GAIL upto 31.05.2018 and Rs. 3.23 lakhs is included in electricity charges of Rs. 3.43 lakhs for the above premises for said period.

The claim for above costs received during the Quarter ended 30.06.2019 from GAIL and hence accounted for as prior period item in current financial year.

Auditor remuneration:

For statutory audit (shown as audit fee above)	0.18	0.18
For Quarterly review (included in legal and professional fee)	0.45	0.30
For certification (included in legal and professional fee)	-	0.10
Total	0.63	0.58





TALCHER FERTILIZERS LIMITED
(CIN: U24120OR2015PLC019575)

NOTES TO THE FINANCIAL STATEMENTS
NOTE - 17 : ADDITIONAL INFORMATION

(Amount in ₹ lakhs)

1 Earnings per share

Sl. No.	Particulars	For Year ended on 31.03.2020	For Year ended on 31.03.2019
(i)	Net Profit after tax attributable to Equity Share Holders (In Rs. lakhs)	(302.31)	(1,874.05)
(ii)	Weighted average no. of equity shares outstanding	53,21,24,762	4,90,38,704
(iii)	Basic & Diluted Earning per share (In Rs.) (Face value Rs. 10/- per share)	(0.06)	(3.82)

- 2 Commitment as on 31.03.2020: Rs. 813776.60 lakhs and Contingent liabilities as on 31.03.2020 - NIL.
- 3 There is no CSR policy framed by the company and no expenditure has been made on CSR during the period.
- 4 In case where balance confirmation has not been obtained, book balance have been taken.
- 5 There is no delayed payment due to the Micro, Small and Medium Enterprises as at the end of the period.
- 6 Preliminary expenses Rs. NIL/- has been written off during the period. Total preliminary expenses as on 31.03.2020 is Nil/-
- 7 The company has not taken any bank loan during the period and the present outstanding balance as on 31.03.2020 is Rs. Nil/-
- 8 Informations required as per Schedule III of the Companies Act 2013:

Sr No	Particulars	31.03.2020	31.03.2019
A	CIF Value of Import	Nil	Nil
B	Expenditure in Foreign Currency	Nil	Nil
C	Value of Raw materials, Stores, Spares & Components consumed	Nil	Nil
D	Earning in Foreign Currency	Nil	Nil

9 Related Party disclosure:

Related parties

- | | |
|---------------------------------------------|-----------------------|
| a) Coal India Limited | Joint venture partner |
| b) GAIL India Limited | Joint venture partner |
| c) Rashtriya Chemical & Fertilizers Limited | Joint venture partner |
| d) Fertilizer Corporation of India Limited | Joint venture partner |

Transactions with related parties.

Cost of salary and travelling exp etc. of employees/advisors:

	Year ended 31.03.2020	Year ended 31.03.2019
a) Coal India Limited	310.61	322.34
b) GAIL India Limited	1052.09	1037.21
c) Rashtriya Chemical & Fertilizers Limited	206.77	308.12
Total	1569.47	1667.67

Cost of rent and electricity for office space.

	Year ended 31.03.2020	Year ended 31.03.2019
a) GAIL India Limited	278.47	30.58
b) Rashtriya Chemical & Fertilizers Limited	2.15	7.10
Total	280.62	37.68

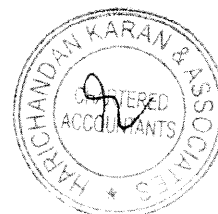
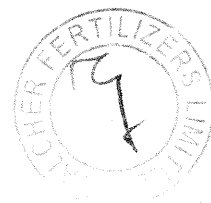
Meeting expenses:

	Year ended 31.03.2020	Year ended 31.03.2019
a) Rashtriya Chemical & Fertilizers Limited	3.84	2.86

10 Key Managerial Personnel:

As per The Companies Act, 2013, the key managerial personnel are:

- a) Shri J. S. Saini - CEO (01.04.2018 to 31.01.2019)
b) Shri P. Jana - CEO (01.02.2019 till now)
c) Shri S. Dutt - CFO (till 15.01.2020)
d) Shri Avijit Goswami - CFO (31.01.2020 till now)
e) Shri Rupesh Tawde - Company Secretary



Remuneration to KMP

	Year ended 31.03.2020	Year ended 31.03.2019*
a) Shri P. Jana	83.51	29.44
b) Shri Sunil Dutt	42.89	67.27
c) Shri J. S. Sami	0.00	126.83
d) Shri Avijit Goswami	8.23	0.00
Total	134.63	223.54

* Includes remuneration upto 31.03.2019 as accounted for in FY 18-19 only

11 Reconciliation of total comprehensive income for the year ended 31.03.2019 reported earlier and now restated:

Particulars	For the Year ended 31.03.2019
Total comprehensive income reported earlier (Audited)	-1,523.84
<u>Adjustment for prior period items:</u>	
Deputation cost of employees (Note 16)	-319.63
Office rent-Noida (Note 16)	-27.35
Electricity charges (Note 16)	-3.23
Net increase/(decrease) in total Comprehensive income	-350.21
Total comprehensive income now restated	-1,874.05

Basic EPS (reported earlier)	(3.11)
Basic EPS (restated now)	(3.82)

Reconciliation of Other Equity as at 31.03.2019:-

Other Equity as at 31.03.2019 reported earlier (Audited)	-1,520.27
Increase in the loss for FY 2018-19 forexpenses relating to FY 2018-19 (Refer above table)	-350.21
Other Equity as at 31.03.2019 now restated	-1,870.48

- 12 Due to implementation of lockdown as per the directions of Govt/State Government on account of outbreak of COVID-19 pandemic, the construction work was temporarily regulated at Talcher project site from last week of March 2020 and the same was resumed in the month of April, 2020. However, during this period administrative and technical activities were continued. Additional financial implication on account of the above temporary regulation was not ascertainable as on reporting date. However, the company will continue to closely monitor the future impacts, which if material, will be disclosed.

As the company is under construction stage, there is no impact on the ability of the company as a going concern

- 13 Reconciliation between ITC as per GSTR-3B and as per Accounts:
- | | |
|-------------------------------------------------------------------------------------|---------------|
| GST receivable as per Accounts | 729.49 |
| Less: Output GST for March, 20 to be taken in Accounts at the time of return filing | 0.11 |
| GST receivable as per GSTR-3B | 729.38 |

- 14 Previous year's figures have been restated, regrouped and rearranged wherever considered necessary.

- 15 Note 1 and 2 represents Corporate Information and Significant Accounting Policies respectively, Note 3 to 13 form part of the Balance Sheet as at 31.03.2020 and 14 to 16 form part of Statement of Profit & Loss for the Year ended on that date. Note 17 represents additional notes to the financial statements.


As per our report annexed
For M/s Harichandan Karan & Associates
Chartered Accountants
Firm Registration No. 326584E

CA. Prabhakar Karan, FCA
Partner
Membership No. 066621


Dated: 19/06/2020
Place: Bhubaneswar

UDIN: 20066621 AAAAR5241

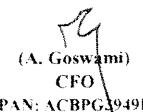
For and Behalf of Board of Directors
Talcher Fertilizers Limited

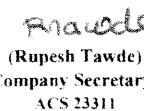

(B. Dayal)
Chairman
DIN: 07367625


(M. R. Meshram)
Director
DIN: 08195079


(S. D. Panadare)
Director
DIN: 07933191


(P. Jana)
CEO
PAN: ABQPJ7242J


(A. Goswami)
CFO
PAN: ACBPG3949B


(Rupesh Tawde)
Company Secretary
ACS 23311

