

ANNUAL REPORT &
ACCOUNTS 2020-21

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BOARD OF DIRECTORS



Shri Binay Dayal
Chairman



Shri S. N. Yadav
Managing Director



Shri Avijit Goswami
Director (Finance)



Shri Sanjay Arora
Director (Operations)



Shri Niranjan Lal
Nominee Director
FCIL



Shri Milind M Deo
Nominee Director
RCF



Shri Ashu Shinghal
Nominee Director
GAIL

MEMBERS OF THE BOARD

as on 8th November' 2021

Shri Binay Dayal : Chairman

Functional Directors:

Shri Sachchidanand Yadav : Managing Director

Shri Avijit Goswami : Director (Finance)

Shri Sanjay Arora : Director (Operations)

Non Executive Directors:

Shri Niranjan Lal

Shri Milind M. Deo

Shri Ashu Shinghal

Permanent Invitees:

Shri S N Mishra : COO(Mining)

Shri Amit Singh : COO(Gasification/Upstream)

Shri Amit Singh : COO(Gasification/Upstream)

Company Secretary:

Shri M.Viswanathan

MANAGEMENT DURING 2020-21

Shri Binay Dayal : Chairman (From 08.02.2020)

Functional Directors:

Shri Sachchidanand Yadav : Managing Director (from 11.06.2020)

Shri Avijit Goswami : Director (Finance) [From 11.06.2020]

Shri Santosh V. Gawade : Director (Operations) (From 11.06.2020 till 15.07.2020)

Shri Sanjay Arora : Director (Operations)[From 16.07.2020]

Non Executive Directors:

Shri Niranjana Lal : Nominee Director (from 24.10.2017)

Shri Milind M. Deo : Nominee Director (from 04.03.2020)

Shri Manoj R Meshram : Nominee Director (from 24.12.2018) till 30.06.2021

Shri Sudhir D. Panadare : Nominee Director (from 05.01.2018 till 10.06.2020)

Dr. A. K. Samantaray : Nominee Director (from 28.09.2018 till 10.06.2020)

Shri Ashu Shinghal : Nominee Director (from 15.03.2019 till 10.06.2020)

Chief Executive Officer

Shri Partha Jana : Chief Executive Officer (from 01.02.2019 till 10.06.2020)

Chief Financial Officer

Shri Avijit Goswami : Chief Financial Officer (From 31.01.2020)

Company Secretary:

Shri Rupesh Tawde : (From 20.09.2016 till 10.04.2021)

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:

PDR & Associates

Plot No. L-3/76, Acharya Vihar
Near Water Tank, Bhubaneswar-75L01,3
Ph. : 9437048570, 9437041968
Email : ddas_2001@yahoo.com

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, New Delhi

NOTICE OF 6th ANNUAL GENERAL MEETING

NOTICE is hereby given to the members of Talcher Fertilizers Limited(TFL) that the Sixth Annual General Meeting of the company will be held on 18th November' 2021 at 04.00 PM , IST through Video Conferencing (VC)/Other Audio Visual Means(OAVM) to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021 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 Niranjana Lal Sharma (DIN 7965269), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Milind M Deo (DIN 8715250) who retires by rotation and being eligible, offers himself for reappointment.
4. To authorise Board of Directors to fix remuneration of Statutory Auditors to be appointed by the office of Comptroller and Auditor General of India for the financial year 2021-22 and onwards.

SPECIAL BUSINESS:

Item No-5

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 Section 152 and 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 provisions of any other guidelines issued by relevant authorities, Shri. Ashu Shinghal [DIN: 08268176], who was appointed by the Board of Directors as an Additional Director of the Company with effect from 2nd July'2021 and who holds office upto the date of this Annual General Meeting in terms of Section 161(1) of Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of the Director, be and is hereby appointed as an Official part time Director of the Company w.e.f 2nd July' 2021 and until further orders. He is liable to retire by rotation.

**By order of the Board of Directors
For Talcher Fertilizers Limited**

**(M Viswanathan)
Company Secretary**

Date: 12th Nov'2021

Registered Office:

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

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, May 5, 2020 and January 13 '2021 ("MCA Circulars") permitted the holding of the Annual General Meeting of a Company 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 18th Nov'21

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 though 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.
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 mviswanathan2.cil@coalindia.in.

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 of Companies Act'2013, 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.

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 65th meeting held on 20th August'2021 had appointed Shri. Ashu Shinghal [DIN: 08268176], as an Additional Director and passed the following resolution.

“RESOLVED THAT pursuant to Article- 112 of Articles of Association of the company and Section -161(1) of the Companies Act, 2013 and in terms of letter dated 2nd July' 2021 from GAIL India Limited, Board hereby 'takes on record' appointment of Shri Ashu Shinghal, ED(CSPA, RM & TQM) as an Additional Director with effect from 2nd July' 2021.”

FURTHER RESOLVED THAT Company Secretary be and is hereby authorized to do all the acts, deeds and things, which are necessary to give effects to these resolutions.”

The Company has received from him (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and that he is not debarred by any other authority from being appointed or continuing as a Director of a company. The approval of members is further sought for the appointment of Shri Ashu Shinghal as an Additional Director of the Company from 2nd July' 2021.

Shri Ashu Shinghal is a Mechanical Engineering graduate from NIT, Silchar and also holds a Master degree in Business Administration (MBA), with specialization in Operation Management. He is presently Executive Director heading Corporate Strategy, Planning, Advocacy and TQM functions, besides being the Chief Risk Officer in GAIL (India) Ltd. He is also serving as Director on the Board of ONGC

Petro Additions Ltd. (OPAL). He has also served as Director on the Board of Mahanagar Gas Ltd (MGL). Mr. Shinghal has rich experience of more than three decades in hydrocarbon sector covering diverse functional areas which includes Corporate Strategy, large scale Project Execution including cross country Gas Pipelines, Petrochemical and LNG. He works in close association with top management in strategic decision making of GAIL. He led the Profit Maximization assignment in GAIL resulting in accrual / realization of benefits of over Rs. 1000 Cr through operational efficiencies, cost reduction and revenue maximization. Shri. Shinghal also represented GAIL in several national and international conferences and programs including a member of Indian industrial delegation to prestigious International Visitor Leadership program by US Govt.

No Director, Key managerial personnel or their relatives, except Shri Ashu Shinghal to whom the resolution relates, is interested or concerned financially or otherwise in the resolution. The Board recommends the resolution set forth in Item no 5 for the approval of the members.”

By order of the Board of Directors

**Sd/-
(M Viswanathan)
Company Secretary**

**Date:12th Nov'21
Place: Kolkata**

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

<u>Name</u>	<u>Shri Niranjan Lal Sharma</u>	<u>Shri Milind M Deo</u>
DIN	7965269	8715250
Date of Birth & Nationality	03.07.1967	07.09.1963
Date of Appointment	24.10.2017	04.03.2020
Qualification	M.Sc. (Agronomy) & PGDIM (Post Graduate Diploma in Management)	Bachelor of Chemical Engineering
Directorship held in other companies	1.Fertilizer Corporation of India Ltd. 2. Hindustan Fertilizer Corporation Ltd. 3.Ramagundam Fertilizers And Chemicals Ltd. 4. FCI Aravali Gypsum And Minerals India Ltd. 5. Hindustan Urvarak & Rasayan Ltd.	NIL
No. of Shares held	NIL	NIL

Brief Profiles of Directors

Shri Binay Dayal [DIN- 07367625] has assumed the charge of Director Technical of Coal India Limited on 11th Oct'17. Shri Dayal graduated in Mining Engineering in 1983 from Indian School of Mines (ISM), Dhanbad. He also obtained 1st Class Mine Manager's Certificate of Competency from DGMS, Dhanbad. He joined as Junior Executive (Trainee) in Coal India and was posted at Central Saunda Colliery, Barkakana Area of Central Coalfields Limited in the year 1983. He worked in various capacities such as Head of Technical Services and Public Relations in CMPDI (HQ), Regional Director, CMPDI, Regional Institute – V, Bilaspur, General Manager (Projects & Planning Services) in South Eastern Coalfields Limited. He took over the charge of Director Technical (Engineering Services), CMPDI on 1.12.2015. Shri Dayal has vast experience in Corporate Planning and Public Relations activities. He has to his credit the Planning and Implementation of Mega Projects of South Eastern Coalfields Limited and enhancement of productivity of hi-tech drills deployed for detailed exploration in Korba and Mand Raigarh coalfields. As 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. He was nominated as Nodal Officer on behalf of South Eastern Coalfields Limited for Rail Corridors for evacuation of coal from Mand Raigarh and Korba Coalfields. and represented South Eastern Coalfields Limited in the Board of Joint Venture Cos. viz. Chhattisgarh East Railway Limited and Chhattisgarh East-West Railway Limited (comprising of SECL, IRCON and Chhattisgarh State Government). Shri Dayal attended the 5th Meeting of 'India-Australia Joint Working Group on Energy and Minerals' as the member of Indian Contingent in Australia during the year 2007. He visited Chinese Coal Industry as participant of Advanced Management Training Programme in September 2010. He was Administrative Head on behalf of CMPDI for EU Research Project on Green House Gas Recovery from mines of abandoned coal seam to conversion to energy (GHG2E) in 2011 & 2012. He participated in 22nd World Mining Congress & Expo 2011 organised in Istanbul, Turkey in 2011 and contributed technical paper. He was part of Indian Delegation to attend 'Prospectors and Developers Association of Canada (PDAC) 2018' Convention organised in Toronto, Canada in 2018. He has presented numerous technical papers related to coal industry. He is a Life Member of MGMI & Computer Society of India (CSI). He holds Directorship in BCCL, CMPDI, SECL, HURL and Chairman of TFL. He is the CMD of CIAL. He is holding one share in Talcher Fertilizers Ltd.

Shri Sachchidanand Yadav [DIN -8758377]-Shri Sachchidanand Yadav, Executive Director in GAIL (India) Ltd. has been appointed as Managing Director of TFL w.e.f 11th June, 2020. Sh. Yadav is Mechanical Engineer from MNNIT, Allahabad and he started his career in GAIL in the year 1991 as Graduate Engineer Trainee at Hazira Compressor Station. At Hazira, he was involved with O&M of Gas Turbine of HVJ pipeline system and thereafter also dealt with construction and O&M activities of Turbines under GREP rehabilitation project of GAIL. During a career spanning 30 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 (BNPL)- Punjab section and at Vijaipur he worked as HoD of HVJ pipeline network and simultaneously also held charge as HoD of Mechanical Maintenance Dept. of Vijaipur Plant Complex (LPG Plants & Gas Compressor Station). Before appointment as TFL's MD, Sh. Yadav was working as in-charge of eastern UP and Bihar section of Gol's flagship project Pradhan Mantri Urja Ganga pipeline project (Jagdishpur – Haldia – Bokaro – Dhamra pipeline project) and successfully commissioned the pipeline span of about 750 km. He also implemented the CGD business of GAIL in the cities of Varanasi and Patna. He has extensive experience in Project planning, construction & commissioning, O&M of pipelines

and retail gas business. His areas of interest and expertise include rotary equipment, gas turbines & compressors and project management. He is not holding any shares in Talcher Fertilizers Ltd.

Shri. Avijit Goswami [DIN -8756560] Shri Avijit Goswami has been appointed as Director (Finance) on the Board of Talcher Fertilizer Limited with effect from 11th June, 2020. Sh. Goswami graduated in English (Hons.) from Scottish Church College, University of Calcutta in 1984. He is a member of the Institute of Cost Accountants of India. Shri Avijit Goswami has wide experience of over 31 years and has served Coal Industry in different capacities. Prior to joining as Chief Financial Officer at Talcher Fertilizers Limited he worked as Senior Manager (Finance)/Area Manager Finance at Mines Rescue Station/Govindpur Area as well as HOD (Finance) Pay in Bharat Coking Coal Limited. He is not holding any shares in Talcher Fertilizers Ltd.

Shri Sanjay Arora [DIN -8787083] Shri Sanjay Arora has been appointed as Dir. (Ops.) of TFL with effect from 16th July 2020. He is an alumnus of St. Francis College Lucknow, joined Rashtriya Chemicals and Fertilizers Ltd. as Management Trainee in 1986, after completing Masters in Marketing & Logistics. He, in his illustrious career spanning over 33 years, has served across a wide spectrum of gamut in RCF and had distinction of tenantry key appointments in diversified fields namely, Rail dispatches, Port Operations, Marketing, Direct Benefit Transfer DBT, HRD, CC/CSR and others. As an avid traveler, he has outstandingly discharged number of projects in different fields, in nearly ten states of the country. The notable achievements of saving high demurrage charges in rail dispatches at Trombay / Thal, earning dispatch money in port operations at Visakhapatnam, recovery of huge outstanding amount against sale proceeds and others, speaks volume of his professional competence, diligence and prudence. He was not only instrumental in steering Digital payment platform in Rural sector but amongst the pioneers in implementing Point of Sale (POS) to transform DBT projects into reality on ground. With the successful implementation of Swachh Bharat Abhiyan, Skill India, Beti Padao – Beti Bachao and Promoting Digital India campaign, he had made a remarkable presence in the field of C.S.R. Highly confident, experienced and vivid writer, he was bestowed with the coveted National award by Fertilizer Association of India in December 2018 for the best article on 'Feasibility of Digital Transactions in Fertilizer Sector'. Academically inclined, as an ardent reader and accomplished guest speaker, he has won laurels for extensive study in the field of Inland Waterways Transport, Operation Sagar Mala and delivered over 100 presentations at various reputed institutes across the country. He has written extensively on challenging issues in journals of SCOPE, Universities and management colleges. The knowledge of different languages steers him well towards people networking. The experience is the backbone for impeccably conducting quiz events in RCF, SCOPE, Universities and external institutions with the focus on spreading the light of knowledge. He is not holding any shares in Talcher Fertilizers Ltd.

Shri Ashu Shinghal [[DIN: 08268176] Shri Ashu Shinghal is a Mechanical Engineering graduate from NIT, Silchar and also holds a Master degree in Business Administration (MBA), with specialization in Operation Management. He is presently Executive Director heading Corporate Strategy, Planning, Advocacy and TQM functions, besides being the Chief Risk Officer in GAIL (India) Ltd. He is also serving as Director on the Board of ONGC Petro Additions Ltd. (OPAL) and Talcher Fertilizer Ltd. He has also served terms as Director on the Board of Mahanagar Gas Ltd (MGL). Mr. Shinghal has rich experience of more than three decades in hydrocarbon sector covering diverse functional areas which includes Corporate Strategy, large scale Project Execution including cross country Gas Pipelines, Petrochemical and LNG. He works in close association with top management in strategic decision making of GAIL. He led the Profit Maximization assignment in GAIL resulting in accrual / realization of benefits of over Rs. 1000 Cr through operational efficiencies, cost reduction and revenue

maximization. Mr. Shinghal also represented GAIL in several national and international conferences and programs including a member Indian industrial delegation prestigious International Visitor Leadership program by US Govt.

Shri. Milind Madhukar Deo [DIN- 8715250] Shri Milind Madhukar Deo is an Executive Director (Planning & Project Development) in Rashtriya Chemicals & Fertilizers Ltd. He obtained Bachelor of Chemical Engineering degree from Institute of Chemical Technology, Mumbai (earlier known as UDCT, Mumbai) in 1984. In July 1984, he joined RCF Thal Unit, when commissioning activities of Ammonia and Urea Project were just to start. He was actively involved in commissioning and performance guarantee test run of Urea plants. Having an experience of commissioning of Urea plants, he was selected as a member of the team deputed to Bangladesh for commissioning of Jamuna Fertilizer Project, undertaken by M/s Mitsubishi Heavy Industries, Japan on turn-key basis. The process involved latest Snam Progetti Ammonia stripping technology and fluidized bed granulation process from M/s. Hydro Agri Europe (NSM), Belgium. The team did successful pre-commissioning, commissioning and guarantee test run of 1700 MTPD Urea plant and made RCF as well as our country a proud moment. Expertise in erection and commissioning paved the key role for him in implementing optimization scheme, during 2002-03 in all three Thal Urea Plants, mainly for reducing energy consumption through updating process technology. After passing the examination conducted by BEE, Ministry of Power, Government of India in 2004, he became a certified 'Energy Auditor' and participated as an audit team member in the first internal energy audit (as per BEE format) of RCF, Thal fertilizer Complex. He was a Lead Auditor for ISO 14001, OHSAS 18001 and ISO 9001 and had conducted internal IMS and safety audits. He attended a training course in Japan during December 2008 on 'Energy Conservation Techniques for India', arranged for the first time by Bureau of Energy Efficiency (BEE) for certified energy auditors and organized by Japan International Cooperation Agency (JICA). He attended an international workshop on 'Nitrogen Fertilizer Production Technology' conducted by IFDC on behalf of the International Fertilizer Industry Association (IFA), during June 2015 in Vienna, Austria. He also attended a seminar on 'Urea Technology' (conducted by Snam Progetti) and a seminar on 'Recent Trends in Chemical Engineering' (conducted by UDCT, Mumbai). At Thal Unit, in addition to Ammonia and Urea Plants, he was also having charge of Health, Safety & Environment Management, Energy Management, Technical Services, Product Handling Plant and a group of Chemical Plants. Subsequent to transfer, he joined RCF Trombay Unit in December 2018 as Chief General Manager (Operation), Trombay, where he was having responsibilities of Suphala (complex fertilizer) Plant, Ammonia and Urea Plants, Steam Generation Plant, Nitric Acid Plants, Technical Services, Bagging and Material Handling Plants and Coordination of Performance Improvement Schemes. Since January 2020, he has taken a charge of Executive Director (P & PD) in RCF Corporate office. He is the recipient of first prize for the best article in production and technology (2002-2003) on 'BFW Production from Urea Process Condensate through MP Hydrolysis', co-written in 'Fertilizer News' (August 2003 issue) of Fertilizer Association of India. He has presented technical papers on Safety Practices and Energy Schemes in the national level seminars. Apart from technical knowledge and expertise, he loves literature and was honoured with PhD by Mumbai University in the year 2000 for his thesis related to Marathi literature and philosophy. His hobbies include reading classical literature, listening to music and gardening in the leisure time. Doing yoga and brisk walking for maintaining fitness is a daily routine for him. He is not holding any shares in Talcher Fertilizers Ltd.

Shri. Niranjan Lal Sharma [DIN -7965269] Shri Niranjan Lal is an officer of Indian Ordnance Factory Service (IOFS), 1998 batch. His educational qualifications are M.Sc. (Agronomy) & PGDIM (Post Graduate Diploma in Management). He has wide experience of working in Indian Ordnance Factories and Ordnance Factory Board (OFB) under Ministry of Defence in the field of Administration and Personnel Management. He is presently working as Director (PSU) in the Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India. He is also the Director (Finance) of Fertilizer Corporation of India Limited (FCIL) and Hindustan Fertilizers & Chemicals Limited (HFCL) and Government Nominee Director on the Board of FCI Aravali Gypsum & Minerals India Limited (FAGMIL). He is not holding any shares in Talcher Fertilizers Ltd. He is holding Directorship in Fertilizer Corporation of India Ltd., Hindustan Fertilizer Corporation Ltd., Ramagundam Fertilizers and Chemicals Ltd., FCI Aravali Gypsum and Minerals India Ltd. and Hindustan Urvarak & Rasayan Ltd.

DIRECTOR'S REPORT

To,
The Members
Talcher Fertilizers Limited (TFL),

On behalf of the Board of Directors, I have great pleasure in presenting to you, the 6th Annual Report of Talcher Fertilizers Limited (TFL) and Audited Accounts for the year ended 31st March'2021 together with the reports of Statutory Auditors and Comptroller and Auditor General of India thereon.

PROJECT DETAILS

Talcher Fertilizers Limited, a Joint Venture Company (JVC) promoted by GAIL, CIL, RCF and FCIL was incorporated to revive FCIL's Talcher fertilizer unit in the Angul district of Odisha. RCF, CIL, GAIL each hold 33.33% of shares and FCIL holds 0.01% in this JV. 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 INR 13,277 crores. M/s PDIL is the Project Management Consultant (PMC) 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 Project 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 a provision of blending up to 25% Pet-coke to handle high ash content in coal.

In principle approval for allocation of North Arkhupal Coal Mine (50%) to Talcher Fertilizers Ltd. (TFL) had been received along with bridge linkage coal for initial years. Final DPR of captive mining project had recommended that undertaking captive mining of allotted coal block is not feasible. Accordingly, allocation of Northern Part of North Arkhupal Mine has been terminated and request has been made to Ministry of Coal for allocation of alternate coal block to TFL for meeting the feedstock requirement.

The Company has awarded Coal Gasification Package and Ammonia Urea Package to M/s Wuhuan Engineering Co. Ltd., China on LSTK basis and work at Talcher site is underway. The tendering for various OSBL packages is underway. Due to COVID – 19 and other associated issues, the project commissioning is expected to suffer a delay of nearly 12 months. The exact cause of delay is being ascertained between PMC and M/s Wuhuan.

Cabinet Committee on Economic Affairs (CCEA) in its meeting held on the 20th April, 2021 had approved a concession rate/ subsidy for the urea produced through coal gasification route by TFL will be determined by providing 12% Post Tax IRR on equity.

The project has successfully concluded the financial closure of the project in June, 2021 by lining up debt of nearly INR 9560 crores through a consortium of lenders led by SBI.

TFL has committed approx. Rs 8500 crores for various project activities.

FINANCIAL PERFORMANCE

Rs. in Lakh

Particulars	2020-21	2019-20
Total Income	1377.19	578.27
Total Cost before Depreciation and Tax	581.15	866.91
Profit before Depreciation and Tax	796.04	(288.64)
Depreciation/Impairment	11.45	15.38
Profit/ (Loss) before tax	784.59	(304.02)
Provision for Tax (including deferred Tax liability/ Asset)	127.50	(1.71)
Net Profit / (loss)	657.09	(302.31)

TRANSFER TO RESERVES

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

AUTHORISED SHARE CAPITAL OF THE COMPANY

The Authorised Equity Share Capital of the Company is Rs.4,200 Crore crores divided into 4,20,00,00,000 Equity Shares of Rs.10/- each.

SHARE CAPITAL

During the year under review, your Company has made allotment of 1,93,79,28,057 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	64,59,76,019
2	Coal India Limited	64,59,76,019
3	GAIL (India) Limited	64,59,76,019
	Total	1,93,79,28,057

The Total Paid Up Share Capital of the Company as on 31st August' 2021 was Rs 24,16,44,74,780/-

DIVIDEND

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

Impact of COVID 19 PANDEMIC

Due to 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 the last week of March 2020 and resumed in the month of May, 2020. However, during this period administrative and technical activities were continued. No additional financial implication on account of the above temporary regulation has been observed as on reporting date. However, the company will continue to closely monitor the future impacts.

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 did not accept 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.

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 Avijit Goswami, Chief Financial Officer (from 31.01.2020 to 10.06.2020)
6. Shri Rupesh Tawde, Company Secretary (Upto 10.04.2021)
7. Shri M Viswanathan, Company Secretary (From 10.04.2021)

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 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 Sachchidanand Yadav (DIN-08758377) was nominated by GAIL as Managing Director w.e.f. 11th June, 2020.
- ii. Shri Santosh V. Gawade (DIN 08195079) was nominated by RCF as Director (Operations) w.e.f. 11th June, 2020 till 15th July'20.
- iii. Shri Avijit Goswami (DIN 08756560) was nominated by CIL as Director (Finance) w.e.f. 11th June, 2020.
- iv. Shri Sudhir D. Panadare (DIN 07933191) of RCF ceased to be Nominee Director w.e.f. 11th June, 2020.
- v. Shri Ashu Shinghal (DIN 08268176) of GAIL ceased to be Nominee Director of the Company w.e.f. 11th June, 2020
- vi. Dr. A. K. Samantaray (DIN 07090691) of CIL ceased to be Nominee Director of the Company w.e.f. 11th June, 2020.
- vii. Shri Sanjay Arora (DIN 08787083) was nominated by RCF as Director (Operations) w.e.f. 16th July, 2020.
- viii. Shri Ashu Shinghal (DIN 08268176) was nominated by GAIL on 2nd July' 21 vice Shri Manoj R Meshram who superannuated from the service of GAIL on 1st July'2021.

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

CHIEF OPERATING OFFICERS

- i. Shri Amit Singh was appointed as COO(Gasification/Upstream) of the Company w.e.f 10th October, 2020 by GAIL
- ii. Shri S. N. Mishra was appointed as COO(Mining) of the Company by CIL .
- iii. Shri Prashant Malusare was appointed as COO (Downstream) of the Company w.e.f. 11th June, 2020 by RCF.

AUDITOR

M/s. PDR & Associates, Chartered Accountants, Bhubaneswar were appointed as Auditors of the Company for the financial year 2020-21 by the office of CAG.

AUDITORS' REPORT

The Statutory Auditors of the Company have given an unqualified report which is enclosed as **Annexure-1** on the Financial Statements of the Company for the year ended 31st Mar'21.

Supplementary Audit of Financial Statements by Comptroller and Auditor General of India (C&AG).

Office of the C&AG on completion of supplementary audit conducted under section 143(6)(a) [and also read with Sec 129(4)] of the Companies Act, 2013 had given their comments on the Financial Statements of the company for the year 2020-2021. CAG comments and Management reply to the same are enclosed as **Annexure-2**

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 who 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, Seven (7) meetings were held by the Board of Directors viz. on - 10th June' 2020, 15th July' 2020, 7th August' 2020, 24th September' 2020, 23rd December' 2020, 28th January' 2021 and 26th February' 2021

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 required 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 outgo: Rs 19431.42 lakhs

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, 2021;
- iii proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of 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, adequate and operating effectively.

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, in reasonable detail, which 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 given 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.

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:

Rs. in lakhs

Sr. No.	Name of related party	Year ended 31.03.2021	Year ended 31.03.2020
1	Coal India Limited	337.81	310.61
2	GAIL India Limited	1159.58	1052.09
3	Rashtriya Chemicals and Fertilizers Limited	214.94	206.77

b. Cost of Rent and electricity for office space

Rs. in lakhs

Sr. No.	Name of related party	Year ended 31.03.2021	Year ended 31.03.2020
1	GAIL India Limited	107.75	278.46
2	Rashtriya Chemicals and Fertilizers Limited	2.13	2.15

c. Meeting expenses

Rs. in lakhs

Sr. No.	Name of related party	Year ended 31.03.2021	Year ended 31.03.2020
1	Rashtriya Chemicals and Fertilizers Limited	0.41	3.84

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 is annexed as **Annexure-3** and forms an integral part of this Report.

The Secretarial Auditor of the Company has made following observations in their Secretarial Audit Report:

1. The Company has not appointed an Internal Auditor for the year under review;
2. The Company has not appointed a Woman Director on its Board for the year under review

The observations of Secretarial Auditor and Management Explanation is enclosed as **Annexure-4**

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 2020-21, 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

ANNUAL RETURN FOR THE YEAR 2020-21:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March' 2021 is available on the website of the Company (<https://tflonline.co.in/>)

CORPORATE GOVERNANCE REPORT

Your company has complied with the conditions of Corporate Governance, as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises, Government of India. A Certificate for compliance of conditions of Corporate Governance has been obtained from a practising Company Secretary is enclosed as **Annexure - 5**.

ACKNOWLEDGEMENT

The Board of Directors of your Company wishes to place on record their deep appreciation for the sincere efforts put in by the employees of the Company during difficult Covid-19. Your Directors also gratefully acknowledge the co-operation, support and guidance received from Ministry of Fertilizers, Ministry of Coal and other Promoter Companies. Your Directors also acknowledge with thanks the assistance and guidance received from Statutory Auditors, the Comptroller and Auditor General of India and Secretarial Auditor.

For and on behalf of the Board of Directors

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

Date: 8th Nov' 2021
Place: Kolkata



INDEPENDENT AUDITORS' REPORT

To
The Members of
TALCHER FERTILIZERS LIMITED,
PLOT NO : 2 / H , KALPANA AREA
DJB NAGAR , BHUBANESWAR
ODISHA - 751 014

Report on the audit of the financial statements

Opinion

We have audited the accompanying Ind AS financial statements of M/s TALCHER FERTILIZERS LIMITED (" the company") which comprise the balance sheet as at March 31, 2021, the Statement of Profit and Loss , the 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 financial statements give the information required by the Companies Act, 2013 ('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, 2021 and its profit or (Loss), change in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing 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 Act 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 as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701 : We have determined the matters described below to be the key audit matters to be communicated in our report.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure's to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Companies Act 2013 with respect to the preparation of these IND AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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.



The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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 material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 these 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 in 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

The provisions of the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure "A" statements on the matters specified in paragraphs 3 and 4 of the said order as 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 account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting standards (IND AS) specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of 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 accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

a. The Company does not have any pending litigations which would impact its financial position;

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

c. The company does not have any outsider investor since it is a joint venture between four public sector undertakings namely, (i) Coal India Limited with 33.33% holding (ii) Rashtriya Chemicals & Fertilizers Limited with 33.33% holding (iii) Gas Authority of India Limited with 33.33% holding and Fertilizer Corporation of India Limited holding 5000 shares, so 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 with regard to the directions and sub-directions issued by the Comptroller & Auditor General of India is given in Annexure "C".

**For M/s P D R & ASSOCIATES.
Chartered Accountants
Firm Regd. No-0325180E**

Dwelpayan Das

**CA Dwelpayan Das (FCA)
Partner**

(Membership.No.059698)

UDIN : 21059698AAAACR6701



Place: Bhubaneswar

Date: 28/06/2021

Annexure "A" to the Independent Auditor's Report*

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of M/s TALCHER FERTILIZER LIMITED for the year ended on 31.03.2021)

1. **In respect of the Company's fixed assets:**
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
 - (b) The fixed assets of the Company were physically verified in full by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification
2. The company does not have any inventory hence no physical verification of inventories were required. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed.
3. According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.
 - (a) Whether the terms and conditions 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 90 (ninety) days and whether reasonable steps have been taken by the company for the recovery of the principal and the interest – Not Applicable
4. In our opinion and according to information and explanation given to us, any loans, guarantees, security or investments to which the provision of section 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the company.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits in accordance with the directives issued by the Reserve Bank of India and accordingly paragraph 3(v) of the order is not applicable to the company.



6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3(vi) of the order is not applicable.
7. In respect of statutory dues:
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3(viii) of the order is not applicable.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. Managerial remuneration i.e deputation cost is being reimbursed by the group companies as per approval by the board and has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V the companies act.
12. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
13. According to the information and explanations given to us and based on our

examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- 14 According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
- 15 According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
- 16 According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For M/s P D R & Associates
Chartered Accountants
Firm Regd. No-0325180E
UDIN-21059698AAAACR6701

Dweipayan Das
CA. Dweipayan Das (FCA)
Partner
(Membership.No.059698)



Place: Bhubaneswar
Date: 28/06/2021

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of M/s TALCHER FERTILIZER LIMITED for the year ended on 31.03.2021)

Report on the internal financial controls over financial reporting under clause (l) 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 FERTILIZER LIMITED as at March 31, 2021, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

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

Auditors' responsibility

Our responsibility is to express an opinion on the 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of internal financial controls over financial reporting

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

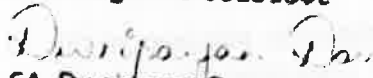
Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/s P D R & Associates

Chartered Accountants

Firm Regd. No-0325180E


CA. Dweipayan Das (FCA)

(Partner, Membership No.059698)

UDIN : 21059698AAAACR6701

Place: Bhubaneswar

Date: 28/06/2021



PDR & ASSOCIATES
Chartered Accountants

Plot No. L-3/76, Acharya Vihar
Near Water Tank, Bhubaneswar 751013
Ph 9437048570, 9437041968
Email ddas_2001@yahoo.com
ppanda_22@yahoo.co.in

Annexure – C : Comments with regard to the Directions / Sub- Directions under section 143(5) Issued by the Comptroller & Auditor General of India.

(A) Directions under section 143(5) of the Companies Act :

Sl. No	Directions / Particulars	Auditors' 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 maintains its accounting transactions in Tally Accounting Software/Package. In our opinion there is no adverse implication on 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. Whether such cases are properly accounted for ? (In case , lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	As per the information & explanation provided by the management of the company , there is no restructuring of loan or cases of waiver / write off of bad debts/ loans/interest etc. made by a lender to the company
3.	Whether funds (grants/subsidy etc) received/ receivable for specific schemes from Central/ state Governments or its agencies were properly accounted for / utilized as per its term and conditions ? List the cases of deviations.	As per the Information & explanation provided by the management of the company, no funds (grants / subsidy etc) were received / receivable for specific schemes from central / State Government agencies during the year.

(B) Sub - Directions under section 143(5) of the Companies Act :

Sl. No	Directions / Particulars	Auditors' Reply
1.	State the area of land under encroachment , if any, and briefly explain the steps taken by the company to remove the same	<p>As per the information and explanation provided by the management of the company, It was summarised that of the total land area of 933.60 acres was granted by Fertilizer Corporation of India Limited (FCIL), the net documented ROR available for transfer to Talcher Fertilizer Limited (TFL) was 799.591 acres.</p> <p>The breakup of difference is stated as under:</p> <p>1.Land to be given to Heavy Water Board = 32.381 acres</p> <p>2.Non RoR area = 66.628 acres</p> <p>3.Total encroachment area(approx) = 35 acres</p> <p>The total breakup of encroachment area is elucidated below:</p> <p>1. Inside Colony boundary area = 11 acres</p> <p>2. Rail corridor area = 11 acres</p> <p>3. Pipe line corridor area = 13 acres</p> <p>Clause no 2.1.4 of the concession agreement directs FCIL to clear all taxes, claims & disputes or any form of encumbrance before transfer of land/building & assets to TFL</p> <p>As informed to us TFL has repeatedly approached FCIL authorities requesting them to take necessary actions for evacuation of identified encroached land/building and arrange pending RoR documents at Talcher.</p>

For M/s. P D R & Associates

Chartered Accountants

Firm Regd. No-0325180E

Dweepayan Das

CA Dweepayan Das (FCA)

(Partner, Membership No 059698

UDIN : 21059698AAAACR6701

Place Bhubaneswar

Date 28/06/2021



कार्यालय प्रधान निदेशक लेखा परीक्षा
(कृषि, खाद्य एवं जल संसाधन), नई दिल्ली
Office of the Principal Director of Audit
(Agriculture, Food & Water Resources), New Delhi



गोपनीय

रिपोर्ट/2-53/डी.जी.ए./ए.एफ. & डब्ल्यू.आर./Accounts/TFL/2021-22/3476

दिनांक :- 24/09/2021

सेवा में,

प्रबन्ध निदेशक,
तालचेर फर्टिलाइजर्स लिमिटेड.
प्लॉट संख्या - 24, फिल्म सिटी, सेक्टर - 16A,
नोएडा - 201 301, जिला गौतम बुद्ध नगर (उ.प्र)

विषय: कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत तालचेर फर्टिलाइजर्स लिमिटेड के 31 मार्च 2021 को समाप्त वर्ष के वित्तीय खातों पर भारत के नियन्त्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

इस पत्र के साथ कम्पनी अधिनियम 2013 के अनुच्छेद 143(6)(b) के अंतर्गत तालचेर फर्टिलाइजर्स लिमिटेड के 31 मार्च 2021 को समाप्त वर्ष के वित्तीय खातों पर टिप्पणियाँ भेजी जा रही हैं।

कृपया इस पत्र की पावती भेजने की कृपा करें।

भवदीया,

संलग्न: यथोपरि

(कीर्ति तिवारी)

महानिदेशक लेखापरीक्षा

(कृषि, खाद्य एवं जल संसाधन)

**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 FERTILIZERS LIMITED FOR THE YEAR ENDED 31
MARCH, 2021**

The preparation of financial statements of Talcher Fertilizers Limited for the year ended 31 March, 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is 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 28 June, 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Talcher Fertilizers Limited for the year ended 31 March, 2021 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

Other Non-Current Assets (Note-6)

Pre-operative Expenditure: ₹ 10,695.98 lakh

The above includes an amount of ₹ 1,719.96 lakh being the pre-operative expenditure incurred on mine exploration at Arkhpal (Northern Part) coal mine, Talcher coalfield, Odisha. The coal mine was found unviable by the Consultant due to negative internal rate of return in detailed project report submitted to the Company in March 2021. Company on 16 April 2021 had requested Ministry of Coal, Government of India for allocating alternative captive mine in the Talcher coalfield. Ministry vide OM dated 10 May 2021 terminated the

allotment of Arkhpal (Northern Part) coal mine. Since the coal mine was found financially unviable and allocation was also terminated by the Ministry, the pre-operative expenditure incurred on the same should have been charged to the profit and loss statement in accordance with provisions of Ind AS-10, being an adjusting event after the reporting period but before the approval of financial statements by Board of Directors on 24 June 2021.

Non charging of pre-operative expenditures to profit and loss statement has resulted in overstatement of 'Other Current Assets' and 'Profit for the year' each by ₹ 1,719.96 lakh.

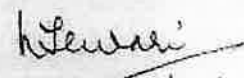
(B) Comment on Independent Auditor's Report

Considering the impact of comment at 'A' above, the profit after tax for the year (₹ 657.09 lakh) as depicted in statement of profit and loss of the company would decrease by ₹ 1,719.96 lakh and would turn into loss of ₹ 1,062.87 lakh. The profit after tax for the year of ₹ 657.09 lakh is impacted by 261.75 per cent. Hence, the financial statements of the company for the year 2020-21 do not present a 'true and fair view' and it was not proper on the part of Independent Auditor to have provided an assurance in his audit report that the financial statements presented a 'true and fair view'.

Place: New Delhi

Date: 24.09.2021

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



(Keerti Tewari)
Director General of Audit
(Agriculture, Food & Water Resources)

Reply of TFL management against comment issued by C&AG in its report	
Audit Comment	Reply of the TFL management
<p>(A) Comments on Financial Position</p> <p>Assets</p> <p>Other Non-Current Assets (Note-6)</p> <p>Pre-Operative Expenditure: Rs. 10,695.98 lakh</p> <p>The above includes an amount of Rs. 1719.96 lakh being the pre-operative expenditure incurred on mine exploration at Arkhpal (Northern Part) coal mine, Talcher coalfield, Odisha. The coal mine was found unviable by the Consultant due to negative internal rate of return in detailed project report submitted to the company in March, 2021. Company on 16 April 2021 had requested Ministry of Coal, Government of India for allocating alternative captive mine in the Talcher coalfield. Ministry vide OM dated 10 May 2021 terminated the allotment of Arkhpal (Northern Part) coal mine. Since the coal mine was found financially unviable and allocation was also terminated by the Ministry, the pre-operative expenditure incurred on the same should have been charged to the profit and loss statement in accordance with provision of Ind AS-10, being an adjusting event after the reporting period but before the approval of financial statements by Board of Directors on 24 June 2021.</p> <p>Non charging of pre-operative expenditures to profit and loss statement has resulted in overstatement of 'Other Current Assets' and 'Profit for the year' each by Rs. 1719.96 lakh.</p> <p>(B) Comment on Independent Auditor's Report</p> <p>Considering the impact of comment at 'A' above, the profit after tax for the year (Rs. 657.09 lakh) as depicted in statement of profit and loss of the company would decrease by Rs.1719.96 lakh and would turn into loss of Rs. 1062.87 lakh. The profit after tax for the year of Rs. 657.09 lakh is impacted by 261.75 percent. Hence, the financial statements of the company for the year 2020-21 do not present</p>	<p>The termination letter of mine was issued by the Ministry in the month of May, 2021 on the basis of which necessary accounting has been done in the financial year 2021-22.</p> <p>As per the concept of "Events occurring after Balance Sheet date", there should be indication of the condition of the existence of that event upto the end of relevant financial year. i.e. 31.03.2021 in the instant case.</p> <p>However, in our case, the decision of requesting the ministry for alternative mine allocation in place of currently allocated mine was taken by the Board in the month of April 2021 (FY 2021-22) therefore this is an event after the reporting period that is indicative of a condition that arose after the end of reporting period. Hence, in accordance with Ind-AS 10 disclosure of the same was made in Financial Statement.</p> <p>Hence, the accounting was not done in the FY 2020-21 and the same was accounted for in FY 2021-22 only after decision taken by Board in FY 2021-22 for requesting the ministry for alternative mine allocation.</p> <p>However, required disclosure was made regarding the fact in the additional notes to Accounts in FY 2020-21.</p> <p>It may also may be noted that presently the company is in construction stage and having no revenue from operations. Hence it is not proper to ascertain</p>

a 'true and fair view' and it was not proper on the part of Independent Auditor to have provided an assurance in his audit report that the financial statements presented a 'true and fair view'.

materiality in respect of profitability statement. However, the amount involved is less than one percent of total asset.

1

1

Designated Partners
 CS Bhumitra V. Dholakia
 B.A., L.L.B., C.A.I.I.B., F.C.S.
 CS Nrupang B. Dholakia
 B.Com., F.C.S., M.B.L., L.L.B., D.C.L., EP.CORP

DHOLAKIA & ASSOCIATES LLP
 (COMPANY SECRETARIES)

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[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,
 Bhubaneswar Khordha,
 Odisha - 751014

We have conducted the secretarial audit 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, 2021 through electronic platform due to widespread outbreak of pandemic COVID-19 resulting in partial lockdown during the period under audit. 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.

TALCHER FERTILIZERS LIMITED – SECRETARIAL AUDIT REPORT FOR FY 2020-21

Regd Office: A/302, Sarvodaya CHSL, Bldg No. 11, Nr. P.F. Office, Khernagar, Bandra (E),
 Mumbai – 400051. Tel No. +91 22 26580309, +91 22 26476280, +91 22 26471302.
 E-Mail: info@dholakia-associates.com

Designated Partners
CS Bhumitra V. Dholakia
B.A., L.L.B., C.A.I.I.B., F.C.S.
CS Nrupang B. Dholakia
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DHOLAKIA & ASSOCIATES LLP
(COMPANY SECRETARIES)

- 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, 2021 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, 2021 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;

TALCHER FERTILIZERS LIMITED – SECRETARIAL AUDIT REPORT FOR FY 2020-21

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E-Mail: info@dholakia-associates.com

Designated Partners
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B.A., L.L.B., C.A.I.I.B., F.C.S.
CS Nrupang B. Dholakia
B.Com., F.C.S., M.B.L., L.L.B., D.C.L., EP.CORP

DHOLAKIA & ASSOCIATES LLP
(COMPANY SECRETARIES)

- VI. Since, the Company is yet to commence business, no special acts are 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, and Standards etc. subject to the following observations:
- a. Pursuant to the provisions of Section 138 of the Act, the Company has not appointed an Internal Auditor for the year under review;
- b. Pursuant to the second proviso of Section 149 (1) of the Act, the Company has not appointed a Woman Director on its Board for the year under review.
- 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. Majority decision is carried through and there was no instance of any director expressing any dissenting views.
- 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. During the year under review the company has issued and allotted 1,12,79,26,851 equity shares of Rs.10/- each aggregating to Rs.11,27,92,68,510/- on rights basis to its Joint Venture Partners in two tranches, except that the equity shares offered for subscription to the rights issue to Fertilizer Corporation of India Limited (FCIL) were not allotted pending execution of the Lease Agreement as stated in para 4.3(f) of the Joint Venture Agreement .

TALCHER FERTILIZERS LIMITED – SECRETARIAL AUDIT REPORT FOR FY 2020-21

Regd Office: A/302, Sarvodaya CHSL, Bldg No. 11, Nr. P.F. Office, Khernagar, Bandra (E),
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B.Com., F.C.S., M.B.L., L.L.B., D.C.L., EP.CORP

DHOLAKIA & ASSOCIATES LLP
(COMPANY SECRETARIES)

Except the above, none of the following events has taken place which have a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards etc. referred to above

- i. Public/Preferential Issue of Shares/Debentures/Sweat equity etc.
- ii. Redemption of securities
- iii. Major decision taken by the members in pursuance to Section 180 of the Act.
- iv. Merger/Amalgamation/Reconstruction, etc.
- v. Foreign Technical Collaborations.

Place: Mumbai
Date: August 20, 2021
UDIN: F000977C000813008

For DHOLAKIA & ASSOCIATES LLP
(Company Secretaries)
BHUMITRA
VINODCHANDR
A DHOLAKIA
CS Bhumitra V. Dholakia
Designated Partner
FCS-977 CP No. 507

Digitally signed by
BHUMITRA
VINODCHANDRA DHOLAKIA
Date: 2021.08.20 19:36:35
+05'30'

TALCHER FERTILIZERS LIMITED – SECRETARIAL AUDIT REPORT FOR FY 2020-21

**Regd Office: A/302, Sarvodaya CHSL, Bldg No. 11, Nr. P.F. Office, Khernagar, Bandra (E),
Mumbai – 400051. Tel No. +91 22 26580309, +91 22 26476280, +91 22 26471302.
E-Mail: info@dholakia-associates.com**

Annexure-4

Observations of Secretarial Auditor and Management Explanation:

Sl.	Observations	Management Explanation
1	The Company has not appointed an Internal Auditor for the year under review;	Board of directors in its meeting held on 20th August'21 advised Director (Finance), TFL to arrange to appoint an Internal Audit firm at the earliest.
2	The Company has not appointed a Woman Director on its Board for the year under review	Board of directors in its meeting held on 20th August'21 advised MD, TFL to write to promoter companies with a request to appoint a Woman Director in the Board of TFL

ANUSHKA DAMANI & ASSOCIATES
COMPANY SECRETARIES

UDIN- A063849C000760314

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Talcher Fertilizers Limited
Plot 2/H, Kalpana Area,
BJB Nagar, Khurda
Bhubneshwar- 751014
Odisha

- A. We have conducted an audit of compliance of corporate governance norms and procedures by the Company being **Talcher Fertilizers Limited (CIN: U24120OR2015PLC019575)**, having its registered office at Plot 2/H, Kalpana Area, BJB Nagar, Khurda, Bhubneswar- 751014, Odisha (hereinafter called "**the Company**") for the Financial Year ended 31st March, 2021.
- B. That our audit is an independent audit of compliance of corporate governance norms and procedures as maintained by the Company. The compliance of corporate governance norms and procedures is the responsibility of the Company.
- C. The Company has taken steps for reviewing of compliance of laws. An elaborate system is in place for management of currency as well as interest rate risk relating to foreign loan and steps have been taken in other areas of integration and alignment of risk management with corporate and operational objectives.
- D. In our opinion and to the best of our understanding, based on the records, documents, registers, and other information furnished to us by the Company's officers during the aforesaid audit and after obtaining management representation, wherever required, we hereby confirm that the Company has complied with the corporate governance norms and procedures during the period under scrutiny, save and except that pursuant to Section 138 of the Companies Act, 2013 (hereinafter called "**the Act**"), no Internal Auditor has been appointed in the Company and pursuant to Section 149(1) of the Act Board of Directors did not comprise of Woman Director, hence the Board did not comply constitution accordingly.
- E. We further state that our audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, ANUSHKA DAMANI & ASSOCIATES
Company Secretaries

ANUSHKA
DAMANI

Digitally signed by ANUSHKA DAMANI
DN: cn=ANUSHKA DAMANI, o=ANUSHKA DAMANI & ASSOCIATES, ou=ANUSHKA DAMANI & ASSOCIATES, postalCode=751014, email=anushka.damani@anushkadamani.com, c=IN

ANUSHKA DAMANI
Proprietor
ACS No. A63849
CP. No. 23920
UDIN: A063849C000760314

Place : Kolkata

Date: 10.08.2021

BALANCE SHEET AS AT 31.03.2021

(Amount in ₹ lakhs)

	Note No.	As at	
		31.03.2021	31.03.2020
ASSETS			
Non-Current Assets			
(a) Property, Plant & Equipments	3	67.53	54.76
(b) Capital Work in Progress	4	76,702.72	5,506.47
(c) Financial Assets-Others	5	118.87	-
(d) Deferred Tax Assets (net)		0.55	0.47
(e) Other non-current assets	6	49,810.00	24,553.27
Total Non-Current Assets (A)		1,26,699.67	30,114.97
Current Assets			
(a) Financial Assets			
(i) Cash & Cash equivalents	7A	93,138.06	23,371.62
(ii) Other Bank Balances	7B	41.62	-
(iii) Loans	8	-	-
(iv) Other Financial Assets	9	1,103.90	318.92
(b) Current Tax Assets (net)		56.93	66.29
(c) Other Current Assets	10	2,074.14	1,364.29
Total Current Assets (B)		96,414.65	25,121.12
Total Assets (A+B)		2,23,114.32	55,236.09



BALANCE SHEET AS AT 31.03.2021

(Amount in ₹ lakhs)

	Note No.	As at	
		31.03.2021	31.03.2020
<u>EQUITY AND LIABILITIES</u>			
Equity			
(a) Equity Share Capital	11	1,60,644.63	47,851.94
(b) Other Equity	13	-1,515.70	-2,172.79
Total Equity (A)		1,59,128.93	45,679.15
Share application money Pending allotment	12	-	-
Non-Current Liabilities (B)			
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	14	125.84	77.17
(ii) Other Financial Liabilities	15	63,262.26	8,951.05
(b) Current Tax Liability (net)		20.48	
(c) Other Current Liabilities	16	576.81	528.72
Total Current Liabilities (C)		63,985.39	9,556.94
Total Equity and Liabilities (A+B+C)		2,23,114.32	55,236.09

The Accompanying Notes No. 1 to 20 form an integral part of the Financial Statements.

As per our report annexed
For M/s P D R & Associates
Chartered Accountants
Firm Registration No. 325180E

Dweipayan Das
CA. Dweipayan Das, FCA
Partner
Membership No. 059698

Dated: 24.06.2021
Place:

For and Behalf of Board of Directors
Talcher Fertilizers Limited

(Sachchidanand Yadav)
(Sachchidanand Yadav)
MD-TFL
DIN: 08758377

(A. Goswami)
(A. Goswami)
Director (Fin)
DIN: 08756560

(Sanjay Arora)
(Sanjay Arora)
Director (O)
DIN: 08787083

(M Viswanathan)
(M Viswanathan)
Company Secretary
FCS 10594



Statement of Profit & Loss for the Year ended on 31st March 2021

(Amount in ₹ lakhs)

Particulars	Note No	Year ended on 31.03.2021	Year ended on 31.03.2020
I. Revenue from operations			-
II. Other Income	17	1,377.19	578.27
III. Total Revenue (I + II)		1,377.19	578.27
IV. Expenses:			
- Depreciation/Amortization/ Impairment	18	11.45	15.38
- Other expenses	19	581.15	866.91
Total Expenses (IV)		592.60	882.29
V. Profit/ (Loss) before exceptional items and tax (III - IV)		784.59	(304.02)
VI. Exceptional Items		-	-
VII Profit before tax (V -VI)		784.59	(304.02)
VIII Tax expense:			
-Current tax		127.59	-
-Deferred tax		(0.08)	(1.71)
IX Profit/(Loss) for the Year (VII -VIII)		657.09	(302.31)
X Other Comprehensive Income		-	-
XI Total Comprehensive Income for the Year (IX+X)		657.09	(302.31)
XII Earning per equity share			
(1) Basic		0.08	(0.06)
(2) Diluted		0.08	(0.06)

The Accompanying Notes No. 1 to 20 form an integral part of the Financial Statements.

As per our report annexed
For M/s P D R & Associates
Chartered Accountants
Firm Registration No. 325180E
Dweipayan Das
CA.Dweipayan Das, FCA
Partner
Membership No. 059698



For and Behalf of Board of Directors
Talcher Fertilizers Limited

Sachchidanand Yadav
(Sachchidanand Yadav)
MD-TFL
DIN: 08758377

A. Goswami
(A. Goswami)
Director (Fin)
DIN:08756560

Sanjay Arora
(Sanjay Arora)
Director (O)
DIN:08787083

Dated: 24.06.2021
Place:

M Viswanathan
(M Viswanathan)
Company Secretary
FCS 10594



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021
(INDIRECT METHOD)

(Amount in ₹ lakhs)

Particulars	Year ended	Year ended
	31.03.2021	31.03.2020
I. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	784.59	(304.02)
Adjustments for : -		
Depreciation/Amortization/ Impairment	11.45	15.38
Interest income on bank deposits	(1,375.75)	(558.75)
Operating cash flow before working capital changes	(579.71)	(847.39)
(Increase) / Decrease in Loans and other financial Assets	(320.91)	-
(Increase) / Decrease in Other Current Assets	(709.85)	(910.46)
Increase / (Decrease) in Trade Payables	48.67	83.80
Increase / (Decrease) in Other Current Liabilities	48.09	483.38
Increase / (Decrease) in Other Financial Liability	54,311.20	6,445.90
CASH GENERATED FROM OPERATIONS	52,797.49	5,255.23
Less : Income Tax Paid	97.76	56.12
NET CASH FLOW FROM OPERATING ACTIVITIES	52,699.73	5,199.11
II. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed Assets	(24.22)	(29.41)
Increase in Non Current Assets	(25,375.59)	(22,110.18)
Increase in Capital Work in Progress	(71,196.25)	(4,619.55)
Interest income on bank deposits	870.09	275.78
NET CASH USED IN INVESTING ACTIVITIES	(95,725.98)	(26,483.36)
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase in Share Capital	1,12,792.69	42,948.07
NET CASH FLOW FROM FINANCING ACTIVITIES	1,12,792.69	42,948.07
NET INCREASE IN CASH AND CASH EQUIVALENTS	69,766.44	21,663.83
Opening balance of Cash & Cash equivalents (Refer Note 7A for components of cash & cash equivalents)	23,371.62	1,707.79
Closing balance of Cash & Cash equivalents (Refer Note 7A for components of cash & cash equivalents)	93,138.06	23,371.62

All figures in bracket represent outflow

As per our report annexed
For M/s P D R & Associates
Chartered Accountants
Firm Registration No. 325180E
Dweipayan Das
CA. Dweipayan Das, FCA
Partner
Membership No. 059698

Dated: 24.06.2021
Place:



(Signature)
(Sachchidanand Yadav)
MD-TFL
DIN: 08758377



For and Behalf of Board of Directors
Talcher Fertilizers Limited

(Signature)
(A. Goswami)
Director (Fin)
DIN:08756560

(Signature)
(Sanjay Arora)
Director (O)
DIN:08787083

(Signature)
(M Viswanathan)
Company Secretary
FCS 10594

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2021

A. EQUITY SHARE CAPITAL

(Amount in ₹ lakhs)

Particulars	Balance as at 01.04.2019	Changes In Equity Share Capital during the year	Balance as at 31.03.2020	Balance as at 01.04.2020	Changes In Equity Share Capital during the period	Balance as at 31.03.2021
1,60,64,46,272 Equity Shares of ₹10/- each (47,85,19,421 Equity Shares of ₹10/- each on 31.03.2020)	4,903.87	42,948.07	47,851.94	47,851.94	1,12,792.69	1,60,644.63

B. OTHER EQUITY

	General Reserve	Retained Earnings	Total
Balance as at 01.04.2019	-	(1,870.48)	(1,870.48)
Total Comprehensive Income for the year	-	(302.31)	(302.31)
Addition/Adjustment during the year	-	-	-
Balance as at 31.03.2020	-	(2,172.79)	(2,172.79)
Balance as at 01.04.2020	-	(2,172.79)	(2,172.79)
Total Comprehensive Income for the Year	-	657.09	657.09
Addition/Adjustment during the year	-	-	-
Balance as at 31.03.2021	-	(1,515.69)	(1,515.70)

As per our report annexed
For M/s P D R & Associates
Chartered Accountants
Firm Registration No. 325180E
Dweipayan Das
CA.Dweipayan Das, FCA
Partner
Membership No. 059698

For and Behalf of Board of Directors
Talcher Fertilizers Limited

Sachchidanand Yadav
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(Sanjay Arora)
Director (O)
DIN:08787083

Dated: 24.06.2021
Place:

M Viswanathan
(M Viswanathan)
Company Secretary
FCS 10594



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:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) 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

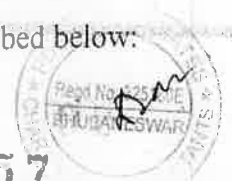
2.8.2.1 Initial recognition and measurement

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

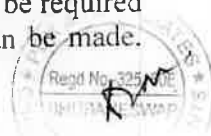
The company's reported currency and the functional currency for majority of its operations is in Indian Rupees (INR) being the principal currency of the economic environment in which it operates.

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 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
As at 1 April 2020	32.25	19.52	15.98	7.72	75.47
Additions	12.17	6.75	2.13	3.17	24.22
Deletions/Adjustments	-	-	-	-	-
As at 31 March 2021	44.42	26.27	18.11	10.89	99.69
Accumulated Depreciation and Impairment					
As at 1 April 2019	0.99	0.55	2.78	1.01	5.33
Charge for the Year	5.99	2.93	4.99	1.47	15.38
Impairment	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-
As at 31 March 2020	6.98	3.48	7.77	2.48	20.71
As at 1 April 2020	6.98	3.48	7.77	2.48	20.71
Charge for the Year	0.44	4.23	4.99	1.79	11.45
Impairment	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-
As at 31 March 2021	7.42	7.71	12.76	4.27	32.16
Net Carrying Amount					
As at 31 March 2021	37.00	18.56	5.35	6.62	67.53
As at 31 March 2020	25.27	16.04	8.21	5.24	54.76



NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 : CAPITAL WIP

	(Amount in ₹ lakhs)								
	Land & Development	Water plant	Silo	Pre-project Electrical works	Roads & Culverts	Amonia Urea Plant	Coal Gasification Plant	Building Underconstruction	Total
Gross Carrying Amount:									
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
As at 1 April 2020	3,789.18	631.16	5.00	939.96	141.17	-	-	-	5,506.47
Additions	2,734.45	67.64	-	115.04	6,171.91	22,495.44	38,745.90	865.87	71,196.25
Capitalisation/ Deletions	-	-	-	-	-	-	-	-	-
As at 31 March 2021	6,523.63	698.80	5.00	1,055.00	6,313.08	22,495.44	38,745.90	865.87	76,702.72
Provision and Impairment									
As at 1 April 2019	-	-	-	-	-	-	-	-	-
Charge for the Year	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-	-	-
As at 31 March 2020	-	-	-	-	-	-	-	-	-
As at 1 April 2020	-	-	-	-	-	-	-	-	-
Charge for the Year	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-	-	-
As at 31 March 2021	-	-	-	-	-	-	-	-	-
Net Carrying Amount									
As at 31 March 2021	6,523.63	698.80	5.00	1,055.00	6,313.08	-	-	-	76,702.72
As at 31 March 2020	3,789.18	631.16	5.00	939.96	141.17	-	-	-	5,506.47



NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 : NON-CURRENT FINANCIAL ASSETS-OTHERS

(Amount in ₹ lakhs)

	As at	
	31.03.2021	31.03.2020
Security Deposit to-TPCODL	117.75	
Security Deposit to-RWSS Division	1.11	
Total	118.87	-



NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 : OTHER NON-CURRENT ASSETS

	(Amount in ₹ lakhs)	
	As at	
	31.03.2021	31.03.2020
Pre Operative Exp	10,695.98	6,369.61
Capital Advances:		
- Advance for Coal Gasification Plant (LSTK)	38,766.78	17,797.26
- Advance for advertisement	-	0.38
- Advance to OFDC	262.14	338.63
- Advance to OPTCL	43.42	3.54
- Advance to CESU for Supply of Power to Intake Well	23.37	23.37
- Advance for RoR	4.34	4.34
- Advance to NICS I	-	16.15
-Advance Water Charges	13.87	-
-Advance to Pradhan Gas Services	0.10	-
Total	49,810.00	24,553.27



THE UNIVERSITY OF CHICAGO

DEPARTMENT OF CHEMISTRY

1954

RESEARCH REPORT

NO. 100

BY

ROBERT M. HAYES

AND

WALTER H. RAY

PHYSICAL CHEMISTRY

LABORATORY

CHICAGO, ILLINOIS

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NOTES TO THE FINANCIAL STATEMENTS
NOTE 7A : CASH AND CASH EQUIVALENTS

	(Amount in ₹ lakhs)	
	As at	
	31.03.2021	31.03.2020
Balances with Banks		
- in Deposit Accounts	93,119.90	23,330.54
- in Current Accounts	18.16	41.08
Cash on hand	-	-
Total	93,138.06	23,371.62



NOTES TO THE FINANCIAL STATEMENTS
NOTE 7B: OTHER BANK BALANCES

(Amount in ₹ lakhs)

	As at	
	31.03.2021	31.03.2020
Balances with Banks - in Deposit Accounts	41.62	-
Total	41.62	-

Rs 41.62 lakhs represents '100% Cash margin Money deposited with bank for issuance of Bank Guarantee for water drawl agreement between TFL and irrigation division, Angul



NOTES TO THE FINANCIAL STATEMENTS
NOTE 8 : LOANS-CURRENT

(Amount in ₹ lakhs)

	As at	
	31.03.2021	31.03.2020
	-	-
	-	-
Total	-	-





TALCHER FERTILIZERS LIMITED
(CIN: U24120OR2015PLC019575)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 : OTHER CURRENT FINANCIAL ASSETS

(Amount in ₹ lakhs)

	As at	
	31.03.2021	31.03.2020
Accured Interest	824.60	318.92
Security Deposit		
Security Deposite to-Account Officer(Recovery)	256.31	
Security Deposit to-IDCO	23.00	
Total	1,103.90	318.92



NOTES TO THE FINANCIAL STATEMENTS
NOTE 10 : OTHER CURRENT ASSETS

(Amount in ₹ lakhs)

	As at	
	31.03.2021	31.03.2020
- GST Receivable	1,065.52	729.50
- GST Refundable	1.38	9.48
- GST unclaimed	952.50	569.38
- Security deposits	46.55	46.55
- Prepaid expenses	5.50	3.75
- Advance to employees	1.25	5.55
- Advance to NSDL	-	0.01
- Advance to NDML	-	0.07
- Advance to CMPDIL	1.42	-
-Advance to NSDL/NDML	0.01	-
-ADVANCE PAYMENT OF GST TDS	0.01	-
Total	2,074.14	1,364.29

1. GST unclaimed of Rs. 952.50 lakhs (Rs. 569.38 lakhs as on 31.03.2020) 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 - 11 : EQUITY SHARE CAPITAL

(Amount in ₹ lakhs)

	As at	
	31.03.2021	31.03.2020
Authorised		
420,00,00,000 Equity Shares of ₹10/- each (420,00,00,000 Equity Shares of ₹10/- each)	4,20,000.00	4,20,000.00
	<u>4,20,000.00</u>	<u>4,20,000.00</u>
Issued, Subscribed and Paid-up		
1,60,64,46,272 Equity Shares of ₹10/- each (47,85,19,421 Equity Shares of ₹10/- each on 31.03.2020)	1,60,644.63	47,851.94
	<u>1,60,644.63</u>	<u>47,851.94</u>

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

Name of Shareholder	31.03.2021		31.03.2020	
	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	5354,80,424	33.33	1595,04,807	33.33
Rashtriya Chemicals and Fertilisers Ltd.	5354,80,424	33.33	1595,04,807	33.33
GAIL (India) Ltd.	5354,80,424	33.33	1595,04,807	33.33
Fertiliser Corporation of India Ltd.	5,000	0.00	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	31.03.2021	31.03.2020
Shares outstanding at the beginning of the Year	4785,19,421	490,38,704
Shares Issued during the Year*	11279,26,851	4294,80,717
Shares bought back during the Year	-	-
Shares outstanding at the end of the Year	16064,46,272	4785,19,421

*During the Year ended 31.03.2021, 3,75,975,617 number of shares have been issued to each company i.e. CIL, GAIL and RCF, totalling to 1,12,79,26,851 number of shares.





TALCHER FERTILIZERS LIMITED
(CIN: U24120OR2015PLC019575)

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 12 : Share application Money Pending Allotment

(Amount in ₹ lakhs)

	As at	
	31.03.2021	31.03.2020
<u>Share application Money received</u>		
COAL INDIA LIMITED	-	-
GAIL India Limited	-	-
Rashtriya Chemicals & Fertilizers Limited	-	-
	-	-



NOTES TO THE FINANCIAL STATEMENTS

NOTE 13 : OTHER EQUITY

(Amount in ₹ lakhs)

	General Reserve	Retained Earnings	Total
Balance as at 01.04.2019	-	(1,870.48)	(1,870.48)
Total Comprehensive Income for the year	-	(302.31)	(302.31)
Addition/Adjustment during the year	-	-	-
Balance as at 31.03.2020	-	(2,172.79)	(2,172.79)
Balance as at 01.04.2020	-	(2,172.79)	(2,172.79)
Total Comprehensive Income for the Year	-	657.09	657.09
Addition/Adjustment during the year	-	-	-
Balance as at 31.03.2021	-	(1,515.70)	(1,515.70)



NOTES TO THE FINANCIAL STATEMENTS

NOTE - 14 :TRADE PAYABLES

(Amount in ₹ lakhs)

	As at	
	31.03.2021	31.03.2020
Current		
Trade Payables for Micro, Small and Medium Enterprises	105.91	74.38
Other Trade Payables for goods and services	19.93	2.80
TOTAL	125.84	77.17



NOTES TO THE FINANCIAL STATEMENTS
NOTE - 15 : OTHER FINANCIAL LIABILITIES

(Amount in ₹ lakhs)

	As at	
	31.03.2021	31.03.2020
Earnest Money	85.90	102.72
Retention Money	1,705.16	3,473.52
Security deposits	30.55	23.57
Other Trade Payables for capital expenditure	3,602.17	1,294.75
Contractual Expenses: Capital ¹	51,657.23	-
Liability for cost of employees on deputation ²	5,709.92	3,716.44
Audit fee payable	0.16	0.16
Provision for Expenses Payable	470.03	338.75
Other liabilities	1.15	1.15
TOTAL	63,262.26	8,951.05

1. Contractual Expenses: Capital includes Liability taken on account of LSTK Contract.

2. 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. 3813.21 lakhs (31.03.2020 Rs. 2439.09 lakhs) has been capitalized as pre-operative expenditure and cost of non-technical employees of Rs. 340.12 lakhs (31.03.2020 Rs. 316.22 lakhs) has been charged to revenue during the period.

The liability for cost of employees on deputation above includes an amount of Rs. 1108.72 lakhs (for 31.03.2020 Rs. 715.51 lakhs) for CIL, Rs. 3774.05 lakhs (For 31.03.2020 Rs. 2423.59 lakhs) for GAIL and Rs. 827.15 lakhs (For 31.03.2020 Rs. 577.34 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.



NOTES TO THE FINANCIAL STATEMENTS
NOTE - 16 : OTHER CURRENT LIABILITIES

(Amount in ₹ lakhs)

	As at	
	31.03.2021	31.03.2020
Statutory dues		
- TDS	553.23	204.70
- GST TDS	0.01	311.50
- GST payable	17.40	7.82
- BOCW cess	6.17	4.70
TOTAL	576.81	528.72



NOTES TO THE FINANCIAL STATEMENTS

NOTE - 17 :OTHER INCOME

(Amount in ₹ lakhs)

	Year ended on 31.03.2021	Year ended on 31.03.2020
Interest from deposits with banks	1,375.76	558.75
Liquidated damages	1.43	19.52
TOTAL	1,377.19	578.27



NOTES TO THE FINANCIAL STATEMENTS

NOTE - 18 :DEPRECIATION/AMORTIZATION/IMPAIRMENT

(Amount in ₹ lakhs)

	Year ended on 31.03.2021	Year ended on 31.03.2020
Depreciation expense	11.45	15.38
TOTAL	11.45	15.38



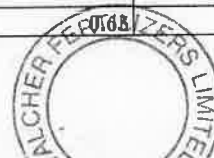
NOTES TO THE FINANCIAL STATEMENTS
NOTE - 19 : OTHER EXPENSES

(Amount in ₹ lakhs)

	Year ended on 31.03.2021	Year ended on 31.03.2020
ACF/AMC of NSDL and NDML	0.80	0.84
Advertisement expenses	-	11.76
Audit Fee	0.18	0.18
Bank charges	0.45	0.09
Board Meeting Expenses	0.41	3.84
Cable expenses	-	0.27
Canteen expenses	2.53	0.30
Computer Expenses	0.41	0.12
Consultancy charges	31.17	3.54
Courier charges	0.47	0.37
Deputation cost of employees	331.05	305.81
Electricity Charges	29.08	21.16
Fee to NSDL/NDML	0.04	0.07
Guest House expenses	0.70	1.65
Internet charges	4.36	2.25
IT Support service charges	0.19	2.84
Legal And Professional Fee	3.34	1.07
Lodging & Boarding exp- outsider	-	6.49
Meeting Expenses	2.35	12.40
Misc Expenses	2.17	1.37
Newspaper & Periodical Expenses	0.12	0.19
Office expenses	3.41	3.02
Office rent - Bhubaneswar	2.04	2.04
Office rent - Noida	97.20	259.80
Printing & Stationary	6.47	8.86
Project Inauguration expenses	14.13	-
Purchase of digital signature	-	0.25
Refund of tender fee	-	0.63
Repair & maintenance	3.95	6.78
Roc Fee	0.18	173.97
Staff Welfare	0.46	0.33
Support Office Staff Services	18.19	14.05
Telephone Expenses	0.02	0.01
Transportation Expenses	-	0.02
Travelling Expenses	0.34	8.37
Travelling Exp of employees (Revenue)	9.07	10.42
Upkeep and Cleaning Expenses	-	0.62
Website Maintanance Charges	0.91	1.12
CA Certification Fee	0.03	-
CIVIL Repair	0.26	-
Electrical Repair	3.60	-
Plant and Equipment Repair	0.19	-
Stamp Duty-NSDL	5.64	-
CISF Welfare Expenses	2.31	-
Legal Fees	2.90	-
Registration Fees to State Control Board	0.02	-
TOTAL	581.14	866.91

Auditor remuneration:

	As on 31.03.2021	As on 31.03.2020
For statutory audit (shown as audit fee above)	0.18	0.18
For Quarterly review (included in legal and professional fee)	0.45	0.45
For certification (included in legal and professional fee)	-	-
Total	0.63	0.63



NOTES TO THE FINANCIAL STATEMENTS
NOTE - 20 : ADDITIONAL INFORMATION

(Amount in ₹ lakhs)

1 **Earnings per share**

Sl. No.	Particulars	For Year ended on 31.03.2021	For Year ended on 31.03.2020
(i)	Net Profit after tax attributable to Equity Share Holders (In Rs. lakhs)	657.09	(302.31)
(ii)	Weighted average no. of equity shares outstanding	8505,40,908	8321,24,762
(iii)	Basic & Diluted Earning per share (In Rs.) (Face value Rs. 10/- per share)	0.08	(0.06)

- Commitment as on 31.03.2021: Rs 771543.26 lakhs and Contingent liabilities as on 31.03.2021: is 41.62 lakhs for issuance of Bank Guarantee for signing of water drawl agreement with irrigation division Angul
- 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. 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 2021, Company had spent ₹ 468.87 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 still not granted by the Ministry till 31. March 2021 the amount of expenditure need to be incurred in future has been shown in commitment.
- There is no CSR policy framed by the company and no expenditure has been made on CSR during the Year.
- In case where balance confirmation has not been obtained, book balance have been taken.
- There is no delayed payment due to the Micro, Small and Medium Enterprises as at the end of the Year.
- Preliminary expenses Rs. Nil/- has been written off during the year. Total preliminary expenses as on 31.03.2021 is Nil/-.
- 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. Now Urea subsidy policy based on Coal Gasification for TFL was approved by CCEA on 20.04.2021.
- The company has not taken any bank loan during the Year and the present outstanding balance as on 31.03.2021 is Rs Nil/-.

10 Informations required as per Schedule III of the Companies Act 2013:

Sr No	Particulars		
A	CFI Value of Import		
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

11 **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

(Amount in ₹ lakhs)

	Year ended 31.03.2021	Year ended 31.03.2020
a) Coal India Limited	337.81	310.61
b) GAIL India Limited	1159.58	1052.09
c) Rashtriya Chemical & Fertilizers Limited	214.94	206.77
Total	1712.33	1569.47

Cost of rent and electricity for office space

(Amount in ₹ lakhs)

	Year ended 31.03.2021	Year ended 31.03.2020
a) GAIL India Limited	107.75	278.46
b) Rashtriya Chemical & Fertilizers Limited	2.13	2.15
Total	109.88	280.62

Meeting expenses:

(Amount in ₹ lakhs)

	Year ended 31.03.2021	Year ended 31.03.2020
a) Rashtriya Chemical & Fertilizers Limited	0.41	3.84



2 Key Managerial Personnel:

- a) Shri P. Jana - CEO (till 12.06.2020)
- b) Shri S. N. Yadav - MD (11.06.2020 till now)
- c) Shri Santosh V. Gawde - D(O) (11.06.2020 till now)
- d) Shri Avijit Goswami - D(F) (31.01.2020 till now)
- e) Shri Sanjay Arora - D(O) (11.07.2020 till now)
- f) Shri Rupesh Tawde - Company Secretary

Remuneration to KMP

(Amount in ₹ lakhs)

Year ended 31.03.2021 Year ended 31.03.2019*

a) S. N. Yadav (from 11.06.2020)	68.40	0.00
b) d) Shri Avijit Goswami - D(F) (31.01.2020 till now)	53.44	8.23
c) d) Shri Sanjay Arora - D(O) (11.07.2020 till now)	29.48	0.00
d) P. Jana (till 12.06.2020)	15.58	83.51
e) Shri Santosh V. Gawde - D(O) (10.07.2020 till 11.07.2020)	3.50	0.00
Total	170.40	91.74

13 Reconciliation between ITC as per GSTR 3B and as per accounts: (Amount in ₹ lakhs)

GST Receivable as per Accounts	1.38
Less Output GST for March 2021 to be taken in Accounts at the time of return filing	-
GST Receivable as per GSTR 3B	1.38

- 14 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.

- 15 Ministry of Coal vide letter no-NA-103/2.2017-NA dtd 10th May 2021 has Terminated the allocation of North of Arkhapa (Northern part) Coal block to Talcher Fertilizers Ltd. Financial impact related to same (if any) will be taken in FY 2021-22.
- 16 Previous year's figures have been restated, regrouped and rearranged wherever considered necessary.
- 17 Status of Legal cases Case No-WPE/21220/2020 For admission of case (POHAP SINGH KATARIA SECURITY AGENCY V/S TALCHER FERTILIZER LTD, TALCHER) in Bhubaneswar- **DISPOSED OFF** on 23.12.2020
- 18 Wuhan Engineering Co. Ltd has sent Invoice for payment of running bill during December Quarter -2020 which was further withdraw by them during March 2021 Quarter. After that Wuhan Engineering Co. has submitted estimated expenditure till March 2021 which was considered by TFL as provisional expenditure and provision for the expenditure was created.

Details of LSTK Contract

(Amount in ₹ lakhs)

Particular	Amount (INR)	Amount (USD)
Coal Gasification invoice received in Dec qtr (A)	26409.03	23249.31
Coal Gasification estimated expenditure received in March qtr (B)	20921.22	17824.68
15% Advance adjustment of B (C)	3138.183	2673.702
Net provision made during March (B-C)	17783.037	15150.978
Amonia Urea invoice received in Dec qtr (D)	4911.37	11304.41
Amonia-Urea estimated expenditure received in March qtr (E)	6698.82	15796.62
15% Advance adjustment of E (F)	1004.823	2369.493
Net provision made during March (E-F)	5693.997	13427.127

Note: (A) and (D) withdrawn by Wuhan Engineering in March Qtr

- 19 Note 1 and 2 represents Corporate Information and Significant Accounting Policies respectively, Note 3 to 16 form part of the Balance Sheet as at 31.03.2021 and 17 to 19 form part of Statement of Profit & Loss for the Year ended on that date. Note 20 represents additional notes to the financial statements.

As per our report annexed
For M/s P D R & Associates
Chartered Accountants
Firm Registration No. 325180E

For and Behalf of Board of Directors
Talcher Fertilizers Limited

Dweepayan Das
CA. Dweepayan Das, ICA
Partner
Membership No. 059698

(Sachchidanand Yadav)
MD-TFL
DIN: 08758377

(A. Goswami)
Director (Fin)
DIN: 08756560



Dated: 24.06.2021
Place:



(Sanjay Arora)
Director (O)
DIN: 08787083
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(M Viswanathan)
Company Secretary
FCS 10594