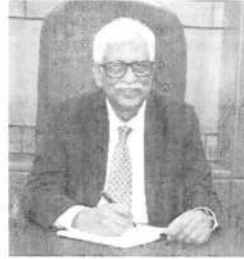


ANNUAL REPORT &
ACCOUNTS 2021-22

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BOARD OF DIRECTORS AS ON 19TH DECEMBER 2022



Shri Debasish Nanda
Chairman



Shri S. N. Yadav
Managing Director



Shri Sanjay Arora
Director (Operations)



Smt. Ambati Lakshmi Prabha
Director (Finance)



Shri Ashu Shinghal
Nominee Director,
GAIL



Shri P. P. Patil
Nominee Director,
FCIL



Shri G. Seshadri
Nominee Director,
RCF

MEMBERS OF THE BOARD

as on 19th December'2022

Shri Debasish Nanda : Chairman

Functional Directors:

Shri Sachchidanand Yadav : Managing Director

Shri Sanjay Arora : Director (Operations)

Smt. Ambati Lakshmi Prabha : Director (Finance)

Non-Executive Directors:

Shri Ashu Shinghal

Shri P. P. Patil

Shri G. Seshadri

Permanent Invitees:

Shri Rakesh Kumar Yadav : COO(Gasification/Upstream)

Shri S. S. Patil : COO(Downstream)

Company Secretary:

Shri M.Viswanathan

MANAGEMENT DURING 2021-22

Shri B Veera Reddy : Chairman [from 14.02.2022]
Shri Binay Dayal : Chairman [from 08.02.2020 till 31.01.2022]

Functional Directors:

Shri Sachchidanand Yadav : Managing Director [from 11.06.2020]
Shri Avijit Goswami : Director (Finance) [from 11.06.2020]
Shri Sanjay Arora : Director (Operations) [from 16.07.2020]

Non-Executive Directors:

Shri Niranjan 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 Ashu Shinghal : Nominee Director [from 02.07.2021]

Chief Financial Officer

Shri Avijit Goswami : Chief Financial Officer [from 31.01.2020]

Company Secretary:

Shri Rupesh Tawde (till 09.04.2021)
Shri M Viswanathan : (From 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:

M/s Sadana & Co.
106, Vishal Chambers, Sector-18, Noida- 201301
Email: sadanaca@gmail.com

Secretarial Auditors:

M/s. Arun Kumar Maitra & Co.
6/1, Merlin park, Kolkata: 700019
Email: akmaitra83@gmail.com

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 7th ANNUAL GENERAL MEETING

NOTICE is hereby given to the members of Talcher Fertilizers Limited(TFL) that the Seventh Annual General Meeting of the company will be held on **Friday the 23rd December'2022** at **11.00 AM, IST** through Video Conferencing (VC)/Other Audio Visual Means(OAVM) to transact the following businesses at a shorter notice:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022 together with the reports of the Board of Directors, Statutory Auditor and comments of the Comptroller & Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013 thereon.
2. To appoint a Director in place of Shri S N Yadav (DIN 08758377), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Sanjay Arora (DIN 08787083) who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:**Item No-4**

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, Smt. Ambati Lakshmiprabha [DIN: 09637525], who was appointed by the Board of Directors as an Additional Director to function as a Director(Finance) and CFO of the Company with effect from 14th June.'2022 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 as amended proposing her candidature for the office of the Director, be and is hereby appointed as a Whole-time Director to function as Director(Finance) and CFO of the Company w.e.f 14th June.'2022 and until further orders. She is liable to retire by rotation.

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 Debasish Nanda [DIN:09015566], who was appointed by the Board of Directors as an Additional Director to function as a Chairman of the Company with effect from 22nd August'2022

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 as amended proposing his candidature for the office of the Director, be and is hereby appointed as a Part-time Director to function as Chairman of the Company w.e.f 22nd August'2022. He is not liable to retire by rotation.

Item No.6

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 Padamsing P Patil (DIN 09747446], who was appointed by the Board of Directors as an Additional Director to function as a Part-time Director of the Company with effect from 04th November 2022 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 as amended proposing his candidature for the office of the Director, be and is hereby appointed as a Part-time Director of the Company w.e.f. 04th November 2022 and until further orders. He is liable to retire by rotation."

Item No.7

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 reenactment thereof for the time being in force) and provisions of any other guidelines issued by relevant authorities, Shri Sri G Seshadri, General Manager (Corporate Project & Admin), RCF (DIN 09802970), who was appointed by the Board of Directors as an Additional Director to function as a Part-time Director of the Company with effect from 17th December'2022 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 as amended proposing his candidature for the office of the Director, be and is hereby appointed as a Part-time Director of the Company from 17th December'2022 and until further orders. He is liable to retire by rotation."

By order of the Board of Directors
For Talcher Fertilizers Limited

MV
19/12/22

(M Viswanathan)
Company Secretary

Date: 19th December'2022

Registered Office:

Plot 2/H, Kalpana Area,

BJB Nagar, Khurda, Bhubaneswar – 751014

Distribution to all members:

1. Coal India Limited
2. GAIL (India) Limited
3. Rashtriya Chemicals and Fertilizers Limited
4. The Fertilizer Corporation of India Limited
5. Shri Debasish Nanda
6. Shri Mahesh Kumar Agarwal
7. Shri Seshadri Gopalan

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 5th May 2022 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 Friday, the 23rd December'2022 at a shorter notice

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 show of hands.
4. 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.
5. 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.
6. 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 comsecy@tflonline.co.in.
7. 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 show of hands as per the process mentioned in the AGM circulars.
8. The Notice calling the AGM has been uploaded on the website of the Company at <http://tflonline.co.in/>.
9. 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 given under "Brief profile of Directors" in Annual Report 2021-22.

Mike

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.4

The Board of Directors in its 73rd meeting held on 27th June'2022 had appointed Smt. Ambati Lakshmiprabha [DIN: 09637525], as an Additional Director to function as Director (Finance) & CFO of the Company and passed the following resolutions.

“RESOLVED THAT pursuant to Article- 112 of Articles of Association of the company and Section -161(1) of the Companies Act, 2013, Board hereby ‘takes on record’ the appointment of Smt. Ambati Lakshmiprabha as an Additional Director to function as Director (Finance) & CFO, TFL with effect from 14th June’ 22.

“FURTHER RESOLVED THAT Company Secretary be and is hereby authorized to do all the acts, deeds and things, which are necessary to give effect to this resolution.”

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 as amended from a member proposing the candidature of Smt. Ambati Lakshmiprabha as a Whole-time Director under the provisions of Section 152 of the Companies Act, 2013. The Company has received from her (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 she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and that she is not debarred by any other authority from being appointed or continuing as a Director of a company. The approval of members is sought for the appointment of Smt. Ambati Lakshmiprabha as a Whole-time Director to function as Director (Finance) & CFO of the Company from 14th June.'2022.

Smt. Ambati Lakshmiprabha is associated with TFL from October 2018 and played active role in achievement of the financial closure of Rs 9559.59 crores for TFL Project with Consortium of Nine Banks including execution of Loan Facility Agreement in June 2021. She was also Member of Working Committee for suitable pricing model for marketing of Methanol. She joined Coal India Limited in 2006 as Finance Officer at Cost and Budget Division of Bharat Coking Coal Limited, Dhanbad. Later in 2008 she joined International Coal Ventures Limited (ICVL), a joint venture of CIL, SAIL & NTPC at Delhi where she worked in the field of acquisitions of coal mines overseas. She completed her post-graduation, Master of Business Administration (Finance) from prestigious Jawaharlal Nehru Technological University, Hyderabad in 2000. She has diverse experience of 22 years of which 16 years is in Coal Industry.

No Director, Key managerial personnel or their relatives, except Smt. Ambati Lakshmiprabha 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 4 for the approval of the members.”

Item No.5

The Board of Directors in its 74th meeting held on 22nd August'2022 had appointed Shri Debasish Nanda [DIN: 09015566], as an Additional Director to function as Chairman of the Company and passed the following resolutions.

“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 11th August'2022 from Coal India Limited, Board hereby ‘takes on record’ appointment of Shri Debasish Nanda as an Additional Director to function as Chairman, TFL from 22nd August'2022.

“FURTHER RESOLVED THAT Company Secretary be and is hereby authorized to do all the acts, deeds and things, which are necessary to give effect to this resolution.”

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 as amended from a member proposing the candidature of Shri Debasish Nanda as a Part-time Director under the provisions of Section 152 of the Companies Act, 2013. The Company has received from his (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 sought for the appointment of Shri Debasish Nanda as Part-time Director to function as Chairman of the Company from 22nd August'2022.

Shri Debasish Nanda is a Post Graduate in production engineering from REC Rourkela and has to his credit Masters in International Business from IIFT, New Delhi. Shri. Nanda joined Indian Oil Corporation in 1988 as a Management Trainee in the Marketing Division and spent 11 years in marketing of Servo lubricants. Thereafter, he moved to Business Development Group in 1999. He did a stint in Business Development activities comprising of expansion of lube business overseas, exports of POL, setting-up of Indian Oil's subsidiaries etc. before moving to Indian Oil's Gas Business in 2009. Shri. Nanda headed the 'Natural Gas' business of Indian Oil which had a turnover of over Rs. 20,000 crores. He developed many robust strategies for increasing the penetration of Indian Oil in the natural gas business. He has also handled various diverse positions for liaising with MoP&NG, PNGRB and other Industry bodies.

M/K

He has chaired US-India Energy Task Force, headed the work on pipeline RLNG exports to Bangladesh & Sri Lanka and was accorded status of aggregator of HP-HT domestic gas for urea plants.

No Director, Key managerial personnel or their relatives, except Shri Debasish Nanda 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."

Item no. 6

The Board of Directors in its 77th meeting held on 04th November 2022 had appointed Shri Padamsing P Patil (DIN 09747446], as an Additional Director to function as Part-time Director of the Company and passed the following resolutions.

"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 12th October'2022 from FCIL, Board hereby 'takes on record' appointment of Shri Padamsing P Patil (DIN 09747446) as an Additional Director to function as a part-time Director, TFL from 4th Nov.'2022.

FURTHER RESOLVED THAT Company Secretary be and is hereby authorized to do all the acts, deeds and things, which are necessary to give effect to this resolution."

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 as amended from a member proposing the candidature of Shri Padamsing P Patil as a Part-time Director under the provisions of Section 152 of the Companies Act, 2013. 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 sought for the appointment of Shri Padamsing P. Patil as a Part-time Director of the Company from 04th November 2022.

Shri Padamsing P. Patil is Civil Servant from Indian Civil Accounts Service (ICAS), 2011. He holds a Bachelors of Technology (Agricultural Engineering) from MPKV, Rahuri, Maharashtra and a PG Diploma in Financial Management from NIFM. He has wide experience in Government accounts and finance, expenditure management, budget, internal audit, public financial management system (PFMS) etc.

Presently, he is working as Director (Fertilizer Subsidy Division & FFS) in the Department of Fertilizers, Ministry of Chemicals and Fertilizers. He is also the Government Nominee Director on the Board of Projects & Development India Ltd. (PDIL), Director (Finance) in Hindustan Fertilizer Corporation Ltd. (HFCL), Director (Finance) in The Fertilizer Corporation of India Ltd. (FCIL), Non-Executive Director on

the Board of Ramagundam Fertilizers and Chemicals Ltd. (RFCL) and Director in Hidustan Urvarak & Rasayan Ltd. (HURL).

In past, he has worked in the field offices of Controller General of Accounts (CGA), Central Board of Direct Taxes (CBDT), Central Board of Indirect Taxes and Customs (CBIC), Central Public Works Department (CPWD), PDT Ministry of Industry, Institute of Govt Accounts & Finance (INGAF) as zonal head for western region (Maharashtra, Goa, Gujarat).

His hobbies & interests include Sports (Cricket, Badminton), Cycling, Reading (Mostly classics and fiction), Movies & Music.

No Director, Key managerial personnel or their relatives, except Shri Padamsing P. Patil 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 6 for the approval of the members."

Item no. 7

The Board of Directors in its 79th meeting held on 17th December'2022 had appointed Shri Sri G Seshadri, General Manager (Corporate Project & Admin), RCF (DIN 09802970), as an Additional Director to function as a Part-time Director of the Company and passed the following resolutions.

"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 24th November 2022 from RCF, Board hereby 'takes on record' appointment of Shri Sri G Seshadri (DIN 09802970) as an Additional Director to function as a part-time Director, TFL from 17th December'2022.

FURTHER RESOLVED THAT Company Secretary be and is hereby authorized to do all the acts, deeds and things, which are necessary to give effect to this resolution."

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 as amended from a member proposing the candidature of Shri G. Seshadri as a Part-time Director under the provisions of Section 152 of the Companies Act, 2013. 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 sought for the appointment of Shri Sri G Seshadri as a Part-time Director of the Company from 17th December'2022.

"Shri Seshadri Gopalan is a Bachelor of Production engineering from Rajarambapu Institute of Technology (RIT), Sangli. He is Certificate holder in "Project Management

and Project Risk Management" awarded by International institute on Programme and Project Management (I2P2M).

Shri Seshadri joined RCF in April 1990 as Management Trainee.* Currently he is working as General Manager (Corporate Projects & Administration) at Rashtriya Chemicals and Fertilizers Limited. In his long career spanning more than 32 years, he has worked in various capacities in the field of Projects Planning & Development, Plant operation & Maintenance and Administration etc. He started his career in RCF in Projects and was involved in the execution of various critical projects such as Suphala Rehabilitation, Purge Gas recovery unit, Methanol Revamp, New Suphala Bagging and 2Mwp Solar Plant at Trombay and Formic Acid, DMAC Project at Thal.

He played a critical role in establishing the Technology Demonstration Plant in association with Heavy Water Board, Department of Atomic Energy at Trombay. This Project is of national importance for Heavy Water Board (Dept of Atomic Energy) for recovery of Rare Metal from Wet Process Phosphoric Acid. As head of the maintenance, he implemented various measures such as use of appropriate MoC, ensuring timely availability of critical spares, standardization of belt conveyors, modifications, maintenance practices resulting in reduction in the downtime of the plants and saving in costs.

His contribution in the successful completion of the Sewage Treatment Plant requiring liaison with various statutory authorities has been the most noteworthy. For his contribution in the success of the project he was felicitated with "Certificate of Appreciation". He has also been awarded the prestigious "Pearl award for the year 2019 for his excellent achievements.

His role in handling the administration during the challenging period of the COVID pandemic and his skills in maintaining good interaction with cross functional departments has been of immense help to the management to function smoothly in this challenging period."

No Director, Key managerial personnel or their relatives, except Shri Sri G Seshadri 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 7 for the approval of the members."

By order of the Board of Directors

M. Viswanathan
19/12/22.

(M Viswanathan)
Company Secretary

Date: 19th December'2022
Place: Bhubaneswar

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

<u>Name</u>	<u>Shri S N Yadav</u>	<u>Shri Sanjay Arora</u>
DIN	08758377	08787083
Date of Birth & Nationality	04.01.1968 Indian	20.07.1963 Indian
Date of Appointment	11.06.2020	16.07.2020
Qualification	Mechanical Engineer from MNNIT, Allahabad	Masters in Marketing & Logistics
Directorship held in other companies	NIL	NIL
No. of Shares held	NIL	NIL

Brief Profiles of Directors

Shri Debasish Nanda [DIN- 09015566] has assumed the charge of Chairman, TFL w.e.f 22nd August'2022. He has assumed the charge of Director (Business Development), CIL w.e.f 11th July'2022. Prior to this, he was working as Executive Director (Gas) in Indian Oil Corporation. A graduate in mechanical engineering from UCE Burla, Sambalpur University, Shri. Nanda is a Post Graduate in production engineering from REC Rourkela and has to his credit a Masters in International Business from IIFT, New Delhi. Shri. Nanda joined Indian Oil Corporation in 1988 as a Management Trainee in the Marketing Division and spent 11 years in marketing of Servo lubricants. Thereafter, he moved to Business Development Group in 1999. He did a stint in Business Development activities comprising of expansion of lube business overseas, exports of POL, setting-up of Indian Oil's subsidiaries etc. before moving to Indian Oil's Gas Business in 2009. Shri. Nanda headed the 'Natural Gas' business of Indian Oil which had a turnover of over Rs. 20,000 crores. He developed many robust strategies for increasing the penetration of Indian Oil in the natural gas business. He has also handled various diverse positions for liaising with MoP&NG, PNGRB and other Industry bodies. He has chaired the US-India Energy Task Force, headed the work on pipeline RLNG exports to Bangladesh & Sri Lanka and was accorded status of aggregator of HP-HT domestic gas for urea plants. He holds Directorship in CIL. He is the Chairman of HURL. He is holding one share in Talcher Fertilizers Ltd.

Shri Sachchidanand Yadav [DIN -08758377]-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 31 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 where 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 Sanjay Arora [DIN -08787083] 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.

Smt. Ambati Lakshmi Prabha [DIN - 09637525] Smt. Ambati Lakshmi Prabha has nominated as Director (Finance), Talcher Fertilizers Limited (TFL) on 4th June 2022. She is associated with TFL from October 2018 and played active role in achievement of the Financial closure of Rs 9559.59 crores for TFL Project with Consortium of Nine Banks including execution of Loan Facility Agreement in June 2021. She was also Member of Working Committee for suitable pricing model for marketing of Methanol.

She joined Coal India Limited in 2006 as Finance Officer at Cost and Budget Division of Bharat Coking Coal Limited, Dhanbad. Later in 2008 she joined International Coal Ventures Limited (ICVL), a joint venture of CIL, SAIL & NTPC at Delhi where she worked in the field of acquisitions of coal mines overseas.

She completed her post graduation, Master of Business Administration (Finance) from prestigious Jawaharlal Nehru Technological University, Hyderabad in 2000. She has diverse experience of 22 years of which 16 years is in Coal Industry. She 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 Padamsing P. Patil is Civil Servant from Indian Civil Accounts Service (ICAS), 2011. He holds a Bachelors of Technology (Agricultural Engineering) from MPKV, Rahuri, Maharashtra and a PG Diploma in Financial Management from NIFM. He has wide experience in Government accounts and finance, expenditure management, budget, internal audit, public financial management system (PFMS) etc. Presently, he is working as Director (Fertilizer Subsidy Division & FFS) in the Department of Fertilizers, Ministry of Chemicals and Fertilizers. He is also the Government Nominee Director on the Board of Projects & Development India

Ltd. (PDIL), Director (Finance) in Hindustan Fertilizer Corporation Ltd. (HFCL), Director (Finance) in The Fertilizer Corporation of India Ltd. (FCIL), Non-Executive Director on the Board of Ramagundam Fertilizers and Chemicals Ltd. (RFCL) and Director in Hindustan Urvarak & Rasayan Ltd. (HURL). In past, he has worked in the field offices of Controller General of Accounts (CGA), Central Board of Direct Taxes (CBDT), Central Board of Indirect Taxes and Customs (CBIC), Central Public Works Department (CPWD), PWT Ministry of Industry, Institute of Govt Accounts & Finance (INGAF) as zonal head for western region (Maharashtra, Goa, Gujarat). His hobbies & interests include Sports (Cricket, Badminton), Cycling, Reading (Mostly classics and fiction), Movies & Music.

Shri Seshadri Gopalan is a Bachelor of Production engineering from Rajarambapu Institute of Technology (RIT), Sangli. He is Certificate holder in "Project Management and Project Risk Management" awarded by International institute on Programme and Project Management (I2P2M). Shri Seshadri joined RCF in April 1990 as Management Trainee. Currently he is working as General Manager (Corporate Projects & Administration) at Rashtriya Chemicals and Fertilizers Limited. In his long career spanning more than 32 years, he has worked in various capacities in the field of Projects Planning & Development, Plant operation & Maintenance and Administration etc. He started his career in RCF in Projects and was involved in the execution of various critical projects such as Suphala Rehabilitation, Purge Gas recovery unit, Methanol Revamp, New Suphala Bagging and 2Mwp Solar Plant at Trombay and Formic Acid, DMAC Project at Thal. He played a critical role in establishing the Technology Demonstration Plant in association with Heavy Water Board, Department of Atomic Energy at Trombay. This Project is of national importance for Heavy Water Board (Dept of Atomic Energy) for recovery of Rare Metal from Wet Process Phosphoric Acid. As head of the maintenance, he implemented various measures such as use of appropriate MoC, ensuring timely availability of critical spares, standardization of belt conveyors, modifications, maintenance practices resulting in reduction in the downtime of the plants and saving in costs. His contribution in the successful completion of the Sewage Treatment Plant requiring liaison with various statutory authorities has been the most noteworthy. For his contribution in the success of the project he was felicitated with "Certificate of Appreciation". He has also been awarded the prestigious "Pearl award for the year 2019 for his excellent achievements. His role in handling the administration during the challenging period of the COVID pandemic and his skills in maintaining good interaction with cross functional departments has been of immense help to the management to function smoothly in this challenging period. He is holding one share in TFL.

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 7th Annual Report of Talcher Fertilizers Limited (TFL) and Audited Accounts for the year ended 31st March'2022 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 on 13th November'2015 to revive FCIL's Talcher fertilizer unit in the Angul district of Odisha. RCF, CIL, GAIL each hold 31.85% equity shares and FCIL holds 4.45% equity shares in this JV. The company plans to produce approx. 1.27 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 2.5 to 3.0 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 long term coal linkage 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.

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 INR 9560 crores through a consortium of lenders led by SBI.

TFL has committed approx. Rs 11,500 crores for various project activities till now.

FINANCIAL PERFORMANCE-

Rs. in Lakh

Particulars	2021-22	2020-21
Total Income	2152.61	1377.19
Total Cost before Depreciation and Tax	2681.68	602.28
Profit before Depreciation and Tax	(529.07)	774.91
Depreciation/Impairment	58.16	11.45
Profit/ (Loss) before tax	(587.23)	763.46
Provision for Tax (including deferred Tax liability/ Asset)	6.76	127.51
Net Profit / (loss)	(593.98)	635.95

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 81,00,03,728 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	27,00,01,242.67
2	Coal India Limited	27,00,01,242.67
3	GAIL (India) Limited	27,00,01,242.67
	Total	81,00,03,728

The Total Paid Up Share Capital of the Company as on 31st March.'2022 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 Gol/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.

KEY MANAGERIAL PERSONNEL

The following are Key Managerial Personnel of the Company:

1. Shri Sachchidanand Yadav, Managing Director (From 11.06.2020)
2. Shri Avijit Goswami, CFO (From 31.01.2020 – 03.06.2022)
3. Shri Avijit Goswami, Director (Finance) (From 11.06.2020 – 03.06.2022)
4. Shri Sanjay Arora, Director (Operations) (From 16.07.2020)
5. Smt. Ambati Lakshmiprabha, Director (Finance) and CFO (From 14.06.2022)
6. Shri M Viswanathan, Company Secretary (From 10.04.2021)

RISK MANAGEMENT

Your Company is yet to formulate 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 during the year:

- i. Shri B Veera Reddy (DIN 08679590) was nominated by CiL on 2nd Feb.'2022 vice Shri Binay Dayal who superannuated from the service of CIL on 31st January.'2022.
- ii. 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 that had greatly benefited the company.

AUDITOR

M/s. PDR & Associates, Chartered Accountants, Bhubaneswar were appointed as an Auditors of the Company for the financial year 2021-22 by the office of CAG.

Further CAG vide their letter dated 28th February, 2022 has appointed M/s. Sadana & Co, Chartered Accountants, Noida as Auditors of the Company for the financial year 2021-22 vice M/s. PDR & Associates, Chartered Accountants, Bhubaneswar.

AUDITORS' REPORT

The Statutory Auditors of the Company have given qualified report on the Financial Statements of the Company for the year ended 31st Mar'22. Auditors Report & Management explanation for each qualification is enclosed as **Annexure-1**

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) of Companies Act, 2013 had given the comments under financial statement of the Company for the year 2021-22 which is enclosed as **Annexure-2**.

REGISTRAR AND TRANSFER AGENT

Your Company has appointed 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**1. Board Meeting:**

During the year, Ten(10) meetings were held by the Board of Directors viz. on - 10th April.'2021, 13th May.'2021, 24th June.'2021, 20th Aug.'2021, 23rd Sept.'2021, 18th Oct.'2021, 8th Nov.'2021, 23rd Dec.'2021, 21st Jan.'2022 and 29th Jan.'2022. The details were as under:

Sl. No.	Name of the Director	Status	Meeting attended
1.	Shri Binay Dayal	Chairman	10
2.	Shri S N Yadav	Managing Director	10
3.	Shri Avijit Goswami	Director (Finance)	10
4.	Shri Sanjay Arora	Director (Operations)	9
5.	Shri Milind Madhukar Deo	Nominee Director	10
6.	Shri Ashu Shinghal	Nominee Director	6
7.	Shri Manoj R Meshram	Nominee Director	3
8.	Shri Niranjana Lal Sharma	Nominee Director	6

2. Audit Committee:

TFL Board in its 64th meeting held on 24th June, 2021 had constituted Audit Committee consisting of Director from GAIL as Chairman, Director (Fin), TFL and Shri Niranjana Lal as Members and Company Secretary to function as Secretary to the Committee.

During the year, Four (4) meetings of Audit Committee were held viz. on – 28th Sept. 2021, 2nd Nov. 2021, 3rd Dec. 2021 and 15th March. 2022. The details were as under:

Sl. No.	Name of the Director	Status	Meeting attended
1.	Shri Ashu Shinghal	Chairman	4
2.	Shri Avijit Goswami	Member	4
3.	Shri Niranjana Lal Sharma	Member	0

3. Nomination & Remuneration Committee:

TFL Board in its 64th meeting held on 24th June, 2021 had constituted Nomination & Remuneration Committee consisting of Shri Milind M Deo as Chairman, MD, TFL, Director (OP) as Members and Company Secretary to function as Secretary to the Committee.

During the year, One (1) meeting of Nomination & Remuneration Committee was held on 17th August, 2021. The details were as under:

Sl. No.	Name of the Director	Status	Meeting attended
1.	Shri Milind Madhukar Deo	Chairman	1
2.	Shri Sanjay Arora	Member	1
3.	Shri S N Yadav	Member	1

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. 44431.19 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, 2022;
- 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 is 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 - NIL

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 31.03.2022	Year ended 31.03.2021
1	Coal India Limited	268.75	337.81
2	GAIL India Limited	1455.14	1169.53
3	Rashtriya Chemicals and Fertilizers Limited	472.89	226.12

b. Cost of Rent and electricity for office space

Rs. in lakhs

Sr. No.	Name of related party	Year ended 31.03.2022	Year ended 31.03.2021
1	GAIL India Limited	98.84	107.75
2	Rashtriya Chemicals and Fertilizers Limited	2.18	2.13

c. Meeting expenses

Rs. in lakhs

Sr. No.	Name of related party	Year ended 31.03.2022	Year ended 31.03.2021
1	Rashtriya Chemicals and Fertilizers Limited	-	0.41

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. Arun Kumar Maitra & Co., Kolkata a firm of Company Secretaries in Practice (C.P. No. 14490) to undertake the Secretarial Audit of the Company.

The observations of Secretarial Auditor and Management Explanation are enclosed as **Annexure-3**.

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 2021-22, 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 2021-22:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March' 2022 is available on the website of the Company ([https://tflonline.co.in/pdf/Draft Form MGT 7.pdf](https://tflonline.co.in/pdf/Draft_Form_MGT_7.pdf))

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 - 4**.

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 the year under review. Your Directors also gratefully acknowledge the co-operation, support and guidance received from Ministry of Fertilizers, Ministry of Coal and 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/-
(Debasish Nanda)
Chairman
DIN: 09015566

Date: 19th December'2022
Place: Kolkata



Sadana & Co.
106, Vishal Chambers, Sector-18, Noida-201301

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SADANA & CO.
CHARTERED ACCOUNTANTS

To The Members of
TALCHER FERTILIZERS LIMITED
Plot No. 2/H, Kalpana Area,
BJB Nagar, Bhubaneswar,
Odisha - 751014

Report on the Audit of the Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying Ind AS financial statements of TALCHER FERTILIZERS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects/possible effects[#] of the matter(s) described in the Basis for Qualified Opinion section of our report, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at March 31, 2022, its profit/loss (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

The attention is invited to the matters described in "Annexure D" to this report, the effect of misstatement and possible effect of undetected misstatement on the Financial Statements due to inability to obtain sufficient and appropriate audit evidence which are material but, not pervasive either individually or in aggregate.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by



the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and Rules thereunder, 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 qualified opinion on the Ind AS financial statements.

Emphasis of Matter

We draw attention to the following matter(s) in the notes to the Ind AS financial statements:

1. The attention is invited to Point No 16 of Note 22 of the financial statement wherein the company has disclosed that the company has not affixed or painted the name, address, CIN no and contact details at registered office at Bhubaneshwar Orissa. The matter was raised before those charged with governance of the company and same was admitted by them that they failed to affix or painted the name, address, CIN no and contact details of the Talcher Fertilizers Limited at the registered head office of the company. However the same was complied with as per written representation given by company dated 21.06.2022.
2. The attention is invited to Point No 15 of Note 22 of the financial statement wherein the company has admitted that GST registration from Orissa state was taken but the registration certificate of GST not displayed at the primary place of business along with every additional place of business as per Rule 18 of the CGST/SGST Rules. However the same was complied with as per written representation given by company dated 21.06.2022.
3. The attention is invited to Point No 14 of Note 22 of the financial statement wherein the company has disclosed that the paid up capital of the company has exceeded Rs. 50 crore on 06.01.2020 but company has not appointed internal auditors in compliance of Section 138 of Companies Act 2013. The matter was raised before the management and the management stated that in compliance of same the Internal Auditor was appointed for F.Y. 2021-2022 on 21.06.2022.
4. The attention is invited to Point No 17 of Note 22 of the financial statement wherein the company has disclosed that the paid up capital of the company has exceeded Rs. 10 crore on 06.01.2020 but company has not appointed Company Secretary in compliance of Section 203 of Companies Act 2013. The matter was raised before the management and the management accepted the lapse.

Our opinion is not modified in respect of this matter/ these matters.

Except for the matter(s) described in the *[Basis for Qualified Opinion section]* above, we have determined that there are no other key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annexure C, but does not include the Ind AS financial statements, and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the 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.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Other Matter

- a. The audit of Ind AS financial statements for the year ended March 31, 2021, was carried out and reported by **PDR & Associates**, vide their unmodified audit report dated **28.06.2021** whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the Ind AS financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we report in "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and except for the matter(s) described in the Basis for Qualified Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. Except for the effects/possible effects of the matter(s) described in the Basis for Qualified Opinion section above, 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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of the written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act;



- f. The qualification/reservation/adverse remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section above.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
- h. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
- i. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act
- j. 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company have two pending litigations as on 31.03.2022. The company has disclosed the impact of pending litigation on its Financial Statements- Refer Note no 22 Point No - 11 of Financial Statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances and except for the matter(s) described in the Basis for Qualified Opinion section above, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- V. The Company has not declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.
3. Based on Verification of books of accounts of the company and according to information and explanation given to us, we give the "Annexure C" a statement of matter stated in the direction issued by the Comptroller and Auditor General of India in the term of (5) of Section 143 of the Act

For SADANA & CO
Chartered Accountants
FRN: 011616N


CA Amit Bansal
Partner



M. No. 098966

UDIN- 22098966 A ODPAE 7139

Date: 02.08.2022

Place - Noida



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SADANA & CO.
CHARTERED ACCOUNTANTS

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of TALCHER FERTILIZERS LIMITED ("the Company") on the Ind AS financial statements for the year ended 31st March 2022]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information, explanations and written representation given to us by the management and the books of account and other records examined by us in the normal course of audit, we report that:

1. (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment
- (a) (B) The Company does not have any Intangible Assets and accordingly, reporting under clause (i)(a)(B) of paragraph 3 of the Order is not applicable.
- (b) During the year, the Property, Plant and Equipment of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of lessee) disclosed in the Ind AS financial statements are held in the name of the Company, except for the details given below:

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
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Land	NIL	FCIL	Promoter	Since Incorporation of TFL till date	As informed by TFL transfer of land is under process though construction activity on land has been permitted.
Buildings	NIL	FCIL	Promoter	Since Incorporation of TFL till date	As informed by TFL transfer of Building is under process though construction activity on it has been permitted.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and/or Intangible Assets during the year. Accordingly, reporting under clause (i) (d) of paragraph 3 of the Order is not applicable.
- (e) No proceedings have been initiated or are pending against the Company as at March 31, 2022 for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is in the business of manufacturing of Urea but as on 31.3.2022 no production activity has been started as plant for production is under process, and consequently, company does not hold any inventory. Therefore, reporting under clause (ii) (a) of paragraph 3 of the Order is not applicable.
- (b) The Company has not obtained any sanctioned working capital limit during the year, from banks and/or financial institutions, on the basis of security of current assets. Therefore, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.
- (iii) (a) During the year, the Company has not provided any loan or advances in the nature of loans, or stood guarantee, or provided security to any entity. Accordingly, reporting under clause (iii)(a) of paragraph 3 of the Order is not applicable.
- (b) According to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prima facie prejudicial to the company's interest;
- (c) There is no stipulation of schedule of repayment of principal and payment



of interest and therefore we are unable to comment on the regularity of repayment of principal & payment of interest.

(d) Since the term of arrangement do not stipulate any repayment schedule we are unable to comment whether the amount is overdue or not.

(e) No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties except following:

Name of Party	Amount renewed or extended	% of total loan	Remark, if any
	Nil		

(f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) The company has not given any loans, investments, guarantees, and security, as per provisions of section 185 and 186 of the Companies Act, 2013. Accordingly, reporting under clause (iv) of paragraph 3 of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.

(vi) As per information & explanation given by the management, maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act but since overall turnover from all its products and services is below Rs. 35 crore during the immediately preceding financial year so provision of this section not applicable.

(vii)
(a) The Company is regular in depositing with the appropriate authorities, undisputed statutory dues including Goods and Services tax (GST), Provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, Cess and any other material statutory dues applicable to it, in all cases during the year. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

(b) According to the information and explanations given to us, there is no



statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where Dispute is pending	Remarks, if Any
NA	NA	NA	NA	NA	NA

- (viii) We have not come across any transaction(s) which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- i. (a) The Company has not taken any loans or other borrowings from any lender. Accordingly, reporting under clause (ix) (a) of paragraph 3 of the Order is not applicable.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not obtain any money by way of term loans during the year/and there were no outstanding term loans at the beginning of the year. Accordingly, reporting under clause (ix) (c) of paragraph 3 of the Order is not applicable.
- (d) On an overall examination of the Ind AS financial statements of the Company, no funds raised on short-term basis have, been used for long-term purposes by the Company.
- (e) On an overall examination of the Ind AS financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, as defined under the Act.
- (ix) (a) The Company has not raised money by way of initial public issue offer / further public offer (including debt instruments) during the year. Therefore, reporting under clause (x) (a) of paragraph 3 of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x) (b) of paragraph 3 of the Order is not applicable.
- (x) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or

reported during the year, nor have we been informed of any such instance by the management.

- (b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or up to the date of this report.
- (c) There are no whistle blower complaints received by the Company during the year and up to the date of this report.
- (xi) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiii) ***In our opinion, though the Company is required to have an internal audit system under section 138 of the Act, however the internal auditor for F.Y. 2021-22 has been appointed on 21.06.2022.***
- (xiv) The Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, provisions of section 192 of the Act are not applicable to the Company.
- (xv) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi) (a) and (b) of paragraph 3 of the Order are not applicable.
- (xvi) The Company has not incurred cash losses in the current and the immediately preceding financial year.
- (xvii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.
- (xviii) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of this audit report and that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state



that our reporting is based on the facts up to date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xix) The provisions of section 135 of the Act are applicable to the Company but since Average profit for last 3 years comes to Negative so no amount is required to be transferred to reserve for expenditure.

For SADANA & CO
Chartered Accountants
FRN: 011616N


CA Amit Bansal



Partner

M. No. 098966

UDIN: 22098566 AODPAE 7139

Date: 02.08.2022

Place: Noida



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SADANA & CO.
CHARTERED ACCOUNTANTS

Annexure 'B'

Report on Internal Financial Controls with reference to financial statements

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

We have audited the internal financial controls over financial reporting of TALCHER FERTILIZERS LIMITED ("the Company") as of March 31, 2022 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued



by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the Company has not established its internal control over financial reporting on criteria based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance on Audit of internal Financial Control over Financial over Financial Reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was effectively as on 31st march, 2022.

1. Rent agreement for office at Noida Sec 16, agreement is made on stamp paper Rs. 100 of Orrisa state which need to be made on U.P Govt stamp paper, it is in contravention of stamp act and also agreement has been made post facto since period of agreement was 01st March 2021 to 31.01.2022 and executed on 3rd August on the stamp paper of 15th July 2021.
2. CVC circular no 04/04/21 dated 06.04.2021 states in Para 4 and Para 5, that tender on nomination basis shall be submitted to the Board every quarter and the audit committee may be required to check at least 10% of such cases and all the tenders awarded on the nomination basis shall be posted on website of the organization concerned in public domain along with the brief reasons for doing so. The same has not been complied till the end of the year under audit. This is due to lack of internal control in the organization regarding policy matters.
3. It was observed that the Talcher Fertilizers Ltd has adopted the Gail C and P procedures in Toto. As per para 2.1.5 (iv) at page no 35 of said C & P Procedures states that only SAP generated purchase orders/Letter of Acceptances are to be issued to suppliers/vendors in all cases. It was intimated that in TFL, there is only Tally software installed for accounting in the company and no SAP software purchased by TFL for tender purposes. This is due to lack of internal control in the organization regarding policy matters.
4. As per para 2.3.2 of C & P Procedures details of Award of Contracts/Orders above threshold value of Rs. One Crore needs to be hosted on Websites of the company. The same has not



been complied till the end of the year under audit. This is due to lack of internal control in the organization regarding policy matters.

For SADANA & CO
Chartered Accountants
FRN: 011616N



CA Amit Bansal
Partner

M. No. 098966

UDIN: 22098966A0DPAE7139

Date: 02.08.2021

Place: Noida



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SADANA & CO.
CHARTERED ACCOUNTANTS

Annexure-C: Comments with regard to the Directors/ Sub- Directors under sections 143(5) issued by the Comptroller & Comptroller & Auditors General of India.

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

Sl.No.	Directions /Particulars	Auditor's Reply
1.	Whether the Company has system in place to process all the accounting transactions through IT systems? If Yes, the implications of processing of accounting transactions outside IT systems 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 implications on processing of accounting transactions outside IT system on the integrity of the financial implications.
2.	Whether there is any restructuring of an existing loan of case of waiver/write off of debt/loan/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 directions is also applicable for statutory auditor of lender company).	As per information & explanation provided by the management of the company, there is no restructuring of loan off of bad debts/loan/interest etc. made by a lender to the company
3.	Whether funds (grants/ subsidy etc.) received receivable for or specific schemes from Central/ state Governments or its agencies were properly accounted for/ utilized as per its terms conditions? List the case of deviations.	As per information & explanations 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



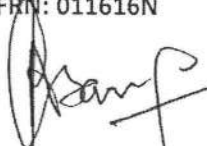
(B) Sub- Directions under sections 143 (5) of the Companies Act:

Sl. No.	Directions /Particulars	Auditor's 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 information and explanations provided by the management of the company, it was summarized that of the total land area 933.60 acres was granted by Fertilizer corporations of India limited (FCIL). The net documented Record of Right (ROR) available for transfer to Talcher fertilizer Limited (TFL) was 836.931 acres.</p> <p>The breakup of difference is stated as under :</p> <p>Land to be given to Heavy Water board =34.309 acres</p> <p>2. Non RoR area = 38.36 acres</p> <p>3. The encroachment area(approx) = 24 acres</p> <p>The total breakup of encroachment area elucidated below:</p> <p>1. Rail corridor area = 11 acres</p> <p>2. Pipe line corridor area = 13 acres</p> <p>Clause no. 2.1.4 of the concession agreement directs FCIL to clear all taxes, claims 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 evacuations of identified encroached land/building and arranger pending ROR documents at Talcher.</p>



We have conducted audit of accounts of M/s TALCHER FERTILISER LIMITED (TFL) ("the company") for the year ended 31st March 2022 in accordance with the directions/sub-direction issued by the C&AG of India U/s 143(5) of the Companies Act 2013 and certify that we have complied with all such directions/sub-direction.

For SADANA & CO
Chartered Accountants
FRI: 011616N



CA Amit Bansal
Partner

M. No. 098966

UDIN: 22098966A0DPAE7139

Date: 02-08-2022

Place: Noida



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SADANA & CO.
CHARTERED ACCOUNTANTS

Annexure – D

Qualifications

We Report that:

1. The Govt. of India has mandated to maintain the measurement book either manual or e-measurement book where public money is spent to check and control and avoid the wastage of public funds/money. In Talcher Fertilizers Limited , it was informed that the GAIL procedures is adopted in Toto by TFL and as per GAIL procedures, the measurement book should be maintained in e-Anjani software but in violation the measurement is maintained in excel sheet. This is clear violation of Govt of India mandate by not maintaining the same either in hard bound measurement book or e-measurement book. As its impact on financial statements is not determinable due to technicality of evaluation, we are unable to determine the value of violation. However it is important to mention here that during financial year 2021-2022, **Rs 64.39 Crores** were paid to vendors on the basis of measurement sheet.
2. As per Draft letter of acceptance (DLOA) the contractor shall be required to execute an 'Agreement' in the Performa given in the Tender Document (**Format F-23**) on a 'non-judicial stamp paper' within 'fifteen [15] days/'Thirty [30] days' 'of receipt of the "Fax of Acceptance". Failure on the part of the successful Bidder/Contractor to sign the 'Agreement within the above stipulated period shall constitute sufficient grounds for forfeiture of EMD/Security Deposit.
Due to violation of above term of DLOA TFL is required/liable to recover from Vendor below amounts for non-compliance of DLOA term:

Party Name	DLOA No	Date FOA	Contract Execution Date	Security	Lapse
M/s. Pramod Kumar Nayak	TFL/NOIDA/PROJ/Renovation/LOA-004/19-20	16.05.2019	20.08.2019	74,63,951	Contract executed after 30 days of FOA so as per Point No 9.0 of DLOA EMD/Security needs to be forfeited.
M/s Gurumaharaj	TFL/NOIDA/C&P/Water_Pipeli	31.03.2021	24.06.2021	2,20,11,930	Contract executed after 15 days of FOA so as per Point No 9.0



Engicon Pvt Ltd	ne/LOA-002/21-22					of DLOA EMD/Security needs to be forfeited.
M/s. Infratech Pvt.Ltd	JPW TFL/NOIDA/PR OJ/ROAD_CUL VERT/LOA-003/19-20	13.09.2019	05.10.2019	6,56,64,398		Contract executed after 15 days of FOA so as per Point No 9.0 of DLOA EMD/Security needs to be forfeited.
M/s. Infratech Pvt.Ltd	JPW TFL/NOIDA/C&P/Non Plant Building/ LOA-012/21-22	11.01.2022	08.02.2022	1,04,41,817		Contract executed after 15 days of FOA so as per Point No 8.0 of DLOA EMD/Security needs to be forfeited.
Total Amount to be recovered				10,55,82,096		

It is stated that during F.Y. 2021-2022. The TFL has not recover the same from the aforesaid vendors resulting causing loss to the TFL. Further, TFL has not made any provision in the books for recovery of Rs. 10,55,82,096/-. Hence books did not depict true and fair View and accordingly qualified on the violation of tender terms and conditions.

- The Company has registered office at Plot No. 2/H, Kalpana Area BJB Nagar, Bhubaneshwar Odisha – 751014 but no document of ownership or Rent agreement has been provided for the same premise. Rent expenses has been provided in books of accounts without any rent agreement. It is stated that during F.Y. 2021-2022 TFL has made paid rent amounting to Rs 12,51,200/- .

For SADANA & CO
Chartered Accountants

FRN: 011616N





CA Amit Bansal

Partner

M. No. 098966

UDIN: 22098966A0DPAE7139

Date: 02.08.2022

Place: Noida

Observations of Statutory Auditor and Management Explanation:

Sl.	Observations	Management Explanation
1.	<p><u>Measurement book:</u></p> <p>The Govt. of India has mandated to maintain the measurement book either manual or e-measurement book where public money is spent to check and control and avoid the wastage of public funds/money. In Talcher Fertilizers Limited, it was informed that the GAIL procedures is adopted in Toto by TFL and as per GAIL procedures, the measurement book should be maintained in e-Anjani software but in violation the measurement is maintained in excel sheet. This is clear violation of Govt of India mandate by not maintaining the same either in hard bound measurement book or e-measurement book. As its impact on financial statements is not determinable due to technicality of evaluation, we are unable to determine the value of violation. However it is important to mention here that during financial year 2021-2022, Rs 64.39 Crores were paid to vendors on the basis of measurement sheet.</p>	<p>Measurement is certified by authorized representative of M/s PDIL (Project Management Consultant of TFL). Thereafter, the same is certified by authorized TFL representative. Since PDIL is the specialized agency for such works, TFL relies on their expertise on such matters.</p> <p>TFL has maintained all the measurement records and followed the laid down procedures for release of payments. The records maintained were also produced during the audit.</p> <p>TFL shall soon adopt e-Anjani/e – measurement book as required under relevant guidelines.</p>
2.	<p><u>Recovery from Vendor for non-compliance of DLOA Term:</u></p> <p>As per Draft letter of acceptance (DLOA) the contractor shall be required to execute an Agreement' in the Performa given in the Tender Document (Format F-23) on a 'non-judicial stamp paper' within 'fifteen [15] days/Thirty [30] days' 'of receipt of the "Fax of Acceptance". Failure on the part of the successful Bidder/Contractor to sign the 'Agreement within the above stipulated period shall constitute sufficient grounds for forfeiture of EMD/Security Deposit. Due to violation of above term of DLOA TFL is required/liable to recover from Vendor below amounts for non-compliance of DLOA term.</p> <p>It is stated that during F.Y. 2021-2022. The TFL has not recover the same from the aforesaid vendors resulting causing loss to the TFL. Further, TFL has not made any provision in the books for recovery of Rs. 10, 55, 82,806/-. Hence books did not depict true and fair View and accordingly qualified on the violation of tender terms and conditions.</p>	<p>In the instant cases, the successful Contractors have executed and signed the Contract Agreement after expiry of 15 days.</p> <p>Considering the fact that all the four (04) contractors had mobilized the resources at site and started their work after issuance of FOA hence cancellation/termination of contracts subsequent to forfeiture of EMD/Security deposit due to late submission of contract agreement are not in the interest of TFL considering stringent overall project schedule.</p> <p>For future works and services, it shall be ensured that the Contract Agreement (wherever applicable) is submitted by Contractor within the stipulated timeline.</p>

3.	<p><u>Rent agreement of Bhubaneswar Office:</u></p> <p>The Company has registered office at Plot No. 2/H, Kalpana Area BJB Nagar, Bhubaneshwar Odisha – 751014 but no document of ownership or Rent agreement has been provided for the same premise. Rent expenses has been provided in books of accounts without any rent agreement. It is stated that during F.Y. 2021-2022 TFL has made paid rent amounting to Rs 12,51,200/- .</p>	<p>There is an agreement between RCF and the owner of premises located at plot no. 2/H, Kalpana area BJB Nagar, Bhubaneshwar Odisha-751014.</p> <p>The owner of the premises has issued an NOC in the name of M/s Rashtriya Coal Gas Fertilizers Limited, the earlier name of M/s Talcher Fertilizers Limited to use the said premises as registered office of the company.</p> <p>The amount paid equivalent to Rent amount has been kept on hold till the execution of Rent agreement and has been communicated to M/s RCF.</p>
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Qualification in Report on Internal Financial Controls with reference to financial statements

Sl.	Observations	Management Explanation
1.	<p><u>Stamp Act Violation</u></p> <p>Rent agreement for office at Noida Sec 16, agreement is made on stamp paper Rs. 100 of Orrisa state which need to be made on U.P Govt stamp paper, it is in contravention of stamp act and also agreement has been made post facto since period of agreement was 01st March 2021 to 31.01.2022 and executed on 3rd August on the stamp paper of 15th July 2021</p>	<p>TFL has registered office in Bhubaneswar, Odisha and HR department, TFL is also stationed at Bhubaneswar only. Accordingly, stamp paper was purchased by HR (who entered into the agreement on behalf of TFL) from Bhubaneswar to execute the agreement and the lessor i.e. GAIL India Limited also agreed with the same.</p> <p>TFL has formulated and implemented the Internal Financial Controls (IFC) w.e.f. 01.11.2021.</p>
2.	<p><u>Violation of CVC circular</u></p> <p>CVC circular no 04/04/21 dated 06.04.2021 states in Para 4 and Para 5, that tender on nomination basis shall be submitted to the Board every quarter and the audit committee may be required to check at least 10% of such cases and all the tenders awarded on the nomination basis shall be posted on website of the organization concerned in public domain along with the brief reasons for doing so. The same has not been complied till the end of the year under audit. This is due to lack of internal control in the organization regarding policy matters</p>	<p>The contracts awarded on nomination basis were placed to Audit Committee. For the quarter ended Dec, 2021 only one contract was awarded on nomination basis.</p> <p>In compliance of the Statutory Auditors observations, TFL has published the tenders awarded on nomination basis on the website on 30.06.2022 and the 10% of the</p>

		<p>tenders awarded on nomination basis has been placed in 6th Audit Committee meeting of TFL held on 16.06.2022.</p> <p>TFL will ensure adherence to compliances of the above provisions on continued basis.</p>
<p>3. <u>Violation of C & P procedures</u></p>	<p>It was observed that the Talcher Fertilizers Ltd has adopted the Gail C and P procedures in Toto. As per para 2.1.5 (iv) at page no 35 of said C & P Procedures states that only SAP generated purchase orders/Letter of Acceptances are to be issued to suppliers/vendors in all cases. it was intimated that in TFL, there is only Tally software installed for accounting in the company and no SAP software purchased by TFL for tender purposes. This is due to lack of internal control in the organization regarding policy matters.</p>	<p>TFL has sought approval from its Board for deletion of all provisions related to SAP compliance as mentioned in the GAIL's C&P Procedure adopted in TFL. This shall be applicable for all orders placed by TFL till date and for all future tenders till SAP is implemented in TFL. TFL Board approved the same on 27th June'2022 i.e. before finalization of financial statements for the FY 2021-22.</p>
<p>4. <u>Violation of Para no 2.3.2 Details of Award of Contracts/Orders Hosting on Websites of C & P procedures</u></p>	<p>As per para 2.3.2 of C & P Procedures details of Award of Contracts/Orders above threshold value of Rs. One Crore needs to be hosted on Websites of the company. The same has not been complied till the end of the year under audit. This is due to lack of internal control in the organization regarding policy matters</p>	<p>To ensure compliance to the observation of statutory auditors, TFL has published all the contract/purchase made above a threshold value of Rs. One Crore on the website in the month of June 2022 i.e. before finalization of financial statements for the FY 2021-22.</p> <p>TFL will ensure adherence to compliances of the above provisions on continued basis.</p>



आज़ादी का
अमृत महोत्सव

कार्यालय महानिदेशक लेखापरीक्षा
(कृषि, खाद्य एवं जल संसाधन), नई दिल्ली
Office of the Director General of Audit
(Agriculture, Food & Water Resources), New Delhi



गोपनीय

रिपोर्ट/2-120/डी.जी.ए./ए.एफ.&डब्ल्यू.आर./A/es/TFL/2022-23/ 695-1

दिनांक :- 2/12/2022

सेवा में,

प्रबंध निदेशक,

तालचर फर्टिलाइजर्स लिमिटेड,

प्लॉट संख्या - 24, फिल्म सिटी,

सेक्टर - 16 A, नोएडा - 201301

विषय: भारत के नियन्त्रक एवं महालेखापरीक्षक द्वारा कम्पनी अधिनियम 2013 के अनुच्छेद 143(6)(b) के अंतर्गत तालचर फर्टिलाइजर्स लिमिटेड के 31 मार्च 2022 को समाप्त वर्ष के वित्तीय खातों पर टिप्पणियाँ।

महोदय,

इस पत्र के साथ कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत तालचर फर्टिलाइजर्स लिमिटेड के 31 मार्च 2022 को समाप्त वर्ष के वित्तीय खातों पर टिप्पणियाँ भेजी जा रही हैं।

कृपया इस पत्र की पावती भेजने की कृपा करें।

संलग्न: यथोपरी

भवदीया,

(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, 2022**

The preparation of financial statements of Talcher Fertilizers Limited for the year ended 31 March, 2022 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 02nd August, 2022.

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, 2022 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. Statutory Auditors' Report

A.1 A reference is invited to qualification of Statutory Auditors stated at Sl. No. 2 of Annexure D of Independent Auditors Report which inter alia states that TFL has not made any provision in the books for recovery of security deposit of Rs.1055.82 lakh in four cases in spite of contravention of condition of Draft Letter of Acceptance (DLOA) regarding execution of agreement within 15/30 days of the receipt of fax of acceptance.

The terms of DLOA states that 'failure to sign the agreement within stipulated period shall constitute sufficient ground for forfeiture of FMD/Security money'. However, it is not specifically stated that forfeiture has to be done in case of non-compliance. Thus, Statutory Auditors qualification is not correct to that extent.

A.2 Please refer to qualification given at sl. no. 3 of Annexure D to Independent Auditors Report wherein it has been stated that, 'Rent expenses has been provided in books of accounts without any rent agreement'.

According to IND AS 37, a liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits. It further states that 'An obligating event is an event that creates a legal or constructive obligation that results in an entity having no realistic alternative to settling that obligation'. It also states that 'A constructive obligation is an obligation that derives from an entity's actions where: (a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and (b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities'.

Although there is no legal obligation in absence of rent agreement but since the management of TFL has accepted the obligation of payment of rent as a past practice it is a constructive obligation. Therefore, qualification of Independent Auditors is not correct to that extent.

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

Place: New Delhi
Date: 02.12.2022



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



ARUN KUMAR MAITRA & CO.
Practicing Company Secretaries
6/1, Merlin Park, Ballygunge Phari
Kolkata-700019
Ph. No.- 8420975192
E-mail:akmaitra83@gmail.com
ICSI Unique Code P2015WB086500
Peer Review Certificate No. 1504/2021
dated 24th September,2021
UDYAM REGISTRATION NUMBER:
UDYAM-WB-10-0044251
PAN No- ABUFA9914A

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To,
The Members,
Talcher Fertilizers Limited
Plot 2/H,Kalpana Area, BJB Nagar,
Khurda BhubneswarKhordha,
India, 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 (TFL)(CIN: U24120OR2015PLC019575) (hereinafter called the "Company"). 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.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (as specified in Annexure- A1, hereinafter referred to as "Books and Papers") 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 March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books and Papers maintained by the Company for the Audit Period according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings; (Not Applicable)
5. The Company being an unlisted public company the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") are not applicable:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - c. 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;
 - d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and rules made thereunder;
 - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
 - f. The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirement) Regulations, 2009;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;
 - i. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
 - j. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
6. Since the Company has not yet started commercial production, no Specific Laws are applicable to it.
 7. We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 as issued by The Institute of Company Secretaries of India.

Management Responsibility:

1. 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;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance 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 for my opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or examined any books, information or statements other than Books and Papers;
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to our following observations:

1. No Internal Auditor has yet been appointed, which is necessary under section 138 of the Companies Act 2013 and rule 13(b) of the Companies (Accounts) Rules, 2014;
2. No Woman Director has yet been appointed, which is necessary under section 149 of the Companies Act 2013 and rule 3 of the Companies (Appointment & Qualification of Directors) rules, 2014;

3. Shri M Viswanathan (SMV), Company Secretary, Coal India Ltd. was appointed as Company Secretary Talcher Fertilizers Limited (TFL) in its 62nd meeting held on 10/04/2021 on temporary basis till an alternative arrangement is made to appoint a full time Company Secretary at TFL and he is giving services to TFL since then.

The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, provides the eligibility criteria for Section 203 of the Act and in terms of the said Rules every listed company and every other company having paid-up share capital of Rs. 10 Crore or more shall have a Whole-time Company Secretary. Since the paid up capital of the Company exceeds Rs.10 crores, TFL is required to immediately appoint a Whole-Time Company Secretary.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Decision at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has not undertaken any event/actions having a major bearing on the Company's affairs in pursuance to the applicable referred laws, regulations, rules, guidelines etc., except the followings:

(i.) Consent to the members were accorded to convert the whole or part of the outstanding rupee facility of the company (when due or payable) into fully paid up equity shares of the company at par value or fair value as ascertained in accordance with applicable laws, regulations and guidelines and in the manner specified in a notice in writing to be given by the rupee lenders to the company vide special resolution passed at the EGM held on 10th April '2021.

(ii.) Consent of the shareholders were accorded to allot on right basis in equal proportion to CIL, GAIL and RCF by means of Special resolution passed at the EGM held on 30th June, '2021.

(iii.) Articles Of Association were altered for insertion of Article 26A and 108A and amendment in Article 4(2)(A) regarding shareholding of the company and Article 11 regarding Powers of The Board of Directors to issue, allot or otherwise dispose of the same vide Special Resolution passed at Extra Ordinary General Meeting held on 10th January, '2022.

**For Arun Kumar Maitra & Co.
Practicing Company Secretaries**

ARUN KUMAR
MAITRA

UprkRtS-gmrry-923400177
SIPRIS
MHP 2022024 117E43 0533

Arun Kumar Maitra

Partner

ACS: 3010; C.P. No.: 14490

UDIN: A003010D001034117

Date: 24th September, 2022

Place: Kolkata

ANNEXURE-A1

List of Documents

1. Corporate Matters
 - 1.1 Minutes books of the following Meetings were provided:
 - 1.1.1 Board Meeting
 - 1.1.2 General Meeting
 - 1.1.3 Audit Committee
 - 1.1.4 Nomination and Remuneration Committee
 - 1.2 Annual Report (2020=21);
 - 1.3 Annual Financial Results (2021-22);
 - 1.4 Agenda papers for Board Meeting along with Notice;
 - 1.5 Memorandum and Articles of Association;
 - 1.6 Disclosures under the Act, 2013;
 - 1.7 Policies framed under the Act, 2013;
 - 1.8 Forms and returns filed with the ROC;
 - 1.9 Registers maintained under the Act, 2013;
 - 1.10 Disclosures under the Act, 2013.

Observations of Secretarial Auditor and Management Explanation:

Sl.	Observations	Management Explanation
1.	No Internal Auditor has yet been appointed, which is necessary under section 138 of the Companies Act '2013 and rule 13(b) of the Companies (Accounts) Rules, 2014;	Internal Auditor for 21-22 was appointed on nomination basis in June'22.
2.	No Woman Director has yet been appointed, which is necessary under section 149 of the Companies Act'2013 and rule 3 of the Companies (Appointment & Qualification of Directors) rules, 2014;	Woman Director was not appointed in 21-22. With the appointment of Smt. A.L Prabha on 14 th June'2022 as D(F) & CFO, the company had complied with the provision.
3.	Shri M Viswanathan, Company Secretary, Coal India Ltd. was appointed as Company Secretary Talcher Fertilizers Limited (TFL) in its 62nd meeting held on 10/04/2021 on temporary basis till an alternative arrangement is made to appoint a full time Company Secretary at TFL and he is giving services to TFL since then.	Necessary action would be taken during 22-23.

COMPANY SECRETARIES

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, 2022.
- 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. However, they have appointed M/s. KRA & Co., Chartered Accountants, Delhi as Internal auditor for the year 2021-2022 in the Financial Year 2022-2023 as recommended by Audit Committee and approved by the Board;
 - pursuant to Section 149(1) of the Act Board of Directors did not comprise of Woman Director;
 - pursuant to Section 177 of the Act, the Nomination and Remuneration Committee must comprise of all non-executive directors. However, the Committee formed by the Company comprises of three directors out which two directors are executive directors and one is non-executive director. The Chair of

COMPANY SECRETARIES

the committee is headed by the Non-Executive Director. Hence, the Committee does not comply constitution accordingly.

- d. pursuant to Section 203 of the Act and in terms of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to immediately appoint a Whole Time Company Secretary but the Company has appointed Shri M Viswanathan, Company Secretary of Coal India Limited as Company Secretary of the Company on temporary basis till an alternative arrangement is made.
- 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

Place: Kolkata

Date: 26.08.2022

ANUSHKA
DAMANI

ANUSHKA DAMANI
Proprietor
ACS No. A63849
CP. No. 23920
UDIN: A063849D000846950

Digitally signed by Anushka Damani
DN: cn=Anushka Damani, o=ANUSHKA DAMANI & ASSOCIATES, ou=ANUSHKA DAMANI & ASSOCIATES, email=anushka.damani@csanushka2020@gmail.com, c=IN, postalCode=700006, st=West Bengal, serialNumber=ANUSHKA DAMANI & ASSOCIATES, cn=ANUSHKA DAMANI
Date: 2022.08.26 11:49:42 +05:30

(Amount in ₹ lakhs)

	Note No.	As at	
		31.03.2022	31.03.2021
ASSETS			
Non-Current Assets			
(a) Property, Plant & Equipments	3	9,498.09	67.53
(b) Capital Work in Progress	4	1,38,689.27	87,398.70
(c) Financial Assets-Others	5	65.68	118.87
(d) Deferred Tax Assets (net)		-	0.55
(e) Other non-current assets	6	46,736.40	39,113.91
Total Non-Current Assets (A)		1,94,989.44	1,26,699.56
Current Assets			
(a) Financial Assets			
(i) Cash & Cash equivalents	7	63,204.71	93,962.66
(ii) Other Bank Balances	8	41.62	41.62
(iii) Loans	9	-	-
(iv) Other Financial Assets	10	279.30	279.31
(b) Current Tax Assets (net)		212.90	56.93
(c) Other Current Assets	11	16,300.68	2,074.24
Total Current Assets (B)		80,039.21	96,414.76
Total Assets (A+B)		2,75,028.65	2,23,114.32

(Amount in ₹ lakhs)

	Note No.	As at	
		31.03.2022	31.03.2021
<u>EQUITY AND LIABILITIES</u>			
Equity			
(a) Equity Share Capital	12	2,41,644.75	1,60,644.63
(b) Other Equity	13	-2,214.28	-1,620.30
Total Equity (A)		2,39,430.47	1,59,024.33
Non-Current Liabilities (B)			
(a) Financial Liability	14	0.33	-
Total Non-Current Liabilities (B)		0.33	-
Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	15	96.64	200.75
(ii) Other Financial Liabilities	16	34,830.62	63,291.95
(b) Current Tax Liability (net)		-	20.48
(c) Deferred Tax Liability (net)		5.09	
(c) Other Current Liabilities	17	665.50	576.81
Total Current Liabilities (C)		35,597.85	64,089.99
Total Equity and Liabilities (A+B+C)		2,75,028.65	2,23,114.32

The Accompanying Notes No. 1 to 22 form an integral part of the Financial Statements.

As per our report annexed
For M/s Sadana & Co
Chartered Accountants
Firm Registration No. 011616N

For and Behalf of Board of Directors
Talcher Fertilizers Limited

CA. Amit Bansal, FCA
Partner
Membership No. 098966

(Sachchidanand Yadav)
MD-TFL
DIN: 08758377

(A. Lakshmiprabha)
Director(Fin)
DIN:09637525

Dated:
Place:

(Sanjay Arora)
Director (O)
DIN:08787083

(M Viswanathan)
Company Secretary
FCS 10594

Statement of Profit & Loss for the Year ended on 31st March 2022

(Amount in ₹ lakhs)

	Particulars	Note No	Year ended on 31.03.2022	Year ended on 31.03.2021
I.	Revenue from operations			-
II.	Other Income	18	2,152.61	1,377.19
III.	Total Revenue (I + II)		2,152.61	1,377.19
IV.	Expenses:			
	- Depreciation/Amortization/ Impairment	19	58.16	11.45
	- Deputation Cost	20	426.58	361.25
	- Other expenses	21	2,255.10	241.03
	Total Expenses (IV)		2,739.84	613.73
V.	Profit/ (Loss) before exceptional items and tax (III -		(587.23)	763.46
VI.	Exceptional Items		-	-
VII.	Profit before tax (V -VI)		(587.23)	763.46
VIII.	Tax expense:			
	-Current tax		-	127.59
	-Previou Year Tax Adjustment		1.11	
	-Deferred tax		5.64	(0.08)
IX.	Profit/(Loss) for the Year (VII -VIII)		(593.98)	635.95
X.	Other Comprehensive Income		-	-
XI.	Total Comprehensive Income for the Year (IX+X)		(593.98)	635.95
XII.	Earning per equity share			
	(1) Basic		(0.05)	0.07
	(2) Diluted		(0.05)	0.07

The Accompanying Notes No. 1 to 22 form an integral part of the Financial Statements.

As per our report annexed
For M/s Sadana & Co
Chartered Accountants
Firm Registration No. 011616N

For and Behalf of Board of Directors
Talcher Fertilizers Limited

CA. Amit Bansal, FCA
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(M Viswanathan)
Company Secretary
FCS 10594

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022
(INDIRECT METHOD)

(Amount in ₹ lakhs)

Particulars	Year ended	Year ended
	31.03.2022	31.03.2021
I. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	(587.23)	784.59
Adjustments for :-		
Depreciation/Amortization/ Impairment	58.16	11.45
Foreign exchange fluctuation	-	-
Interest income on bank deposits	(2,123.48)	(1,375.75)
Operating cash flow before working capital changes	(2,652.54)	(579.71)
(Increase) / Decrease in Loans and other financial Assets	53.20	(826.58)
(Increase) / Decrease in Other Current Assets	(14,226.44)	(709.85)
Increase / (Decrease) in Trade Payables	(104.11)	48.67
Increase / (Decrease) in Other Current Liabilities	88.70	48.09
Increase / (Decrease) in Other Financial Liability	(28,461.33)	54,311.20
CASH GENERATED FROM OPERATIONS	(45,302.52)	52,291.82
Less : Income Tax Paid	177.26	97.76
NET CASH FLOW FROM OPERATING ACTIVITIES	(45,479.78)	52,194.06
II. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed Assets	(51.31)	(24.22)
Increase in Non Current Assets	(7,622.49)	(25,375.59)
Increase in Capital Work in Progress	(60,727.97)	(71,196.25)
Interest income on bank deposits	2,123.48	1,375.76
NET CASH USED IN INVESTING ACTIVITIES	(66,278.29)	(95,220.31)
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase in Share Capital	81,000.12	1,12,792.69
NET CASH FLOW FROM FINANCING ACTIVITIES	81,000.12	1,12,792.69
NET INCREASE IN CASH AND CASH EQUIVALENTS	(30,757.95)	69,766.44
Opening balance of Cash & Cash equivalents (Refer Note 7 for components of cash & cash equivalents)	93,962.66	24,196.22
Closing balance of Cash & Cash equivalents (Refer Note 7 for components of cash & cash equivalents)	63,204.71	93,962.66

All figures in bracket represent outflow

As per our report annexed
For M/s Sadana & Co
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For and Behalf of Board of Directors
Talcher Fertilizers Limited

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DIN:08787083

(M Viswanathan)
Company Secretary
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2022
A. EQUITY SHARE CAPITAL

As at 31.03.2022

(Amount in ₹ lakhs)

Particulars	Balance as at 01.04.2021	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 01.04.2021	Changes in equity share capital during the current period	Balance as at 31.03.2022
2,41,64,47,478 Equity Shares of ₹10/- each (1,60,64,46,272 Equity Shares of ₹10/- each as on 31.03.2021)	1,60,644.63	-	1,60,644.63	81,000.12	2,41,644.75

As at 31.03.2021

Particulars	Balance as at 01.04.2020	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 01.04.2020	Changes in equity share capital during the current year	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 as on 31.03.2020)	47,851.94	-	47,851.94	1,12,792.69	1,60,644.63

B. OTHER EQUITY

As at 31.03.2022

Particulars	Reserves and Surplus			Total
	Share Application Money	General Reserve	Retained Earnings	
Balance as at 01.04.2021	-	-	(1,620.30)	(1,620.30)
Total Comprehensive Income for the Year	-	-	(593.98)	(593.98)
Addition/Adjustment during the Year	-	-	-	-
Balance as at 31.03.2022	-	-	(2,214.28)	(2,214.28)

As at 31.03.2021

Particulars	Reserves and Surplus			Total
	Share Application Money	General Reserve	Retained Earnings	
Balance as at 01.04.2020	-	-	(2,256.25)	(2,256.25)
Total Comprehensive Income for the year	-	-	635.95	635.95
Addition/Adjustment during the year	-	-	-	-
Balance as at 31.03.2021	-	-	(1,620.30)	(1,620.30)

As per our report annexed
For M/s Sadana & Co
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Firm Registration No. 011616N

For and Behalf of Board of Directors
Talcher Fertilizers Limited

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DIN:09637525

Dated:
Place:

(Sanjay Arora)
Director (O)
DIN:08787083

(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 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.

Presently, the plant of the company is under construction and operations are yet to be started. Hence, there is no revenue from Operation. Revenue is primarily derived from interest on fixed deposits which is accounted for as per point no. 2.3.2 mentioned below and other incomes of tender fees etc. are 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.

Assets which are separately identifiable and can be considered as a separate asset during the operational phase are recognized as Property, plant and equipment and are being depreciated.

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 de-recognition 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 de-recognition 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
Building including Guest House	: 15 years
Roads and Culverts	: 20 years
Plant and Machinery	: 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. Depreciation on the property, plant & equipment, which are being purely used for project construction, is shown under the head "Expense during Construction" in Capital Work in Progress.

Individual item of PPE having cost upto rupees five thousand, not acquired in bulk, is depreciated at the rate of 100%.

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 shown as work in progress. Such expenditures presently include expenditures for setting up the plants for Coal gasification and Ammonia Urea, for Silo renovation/construction, Site enabling works, major renovation works of Building and construction of raw water and fire water reservoirs etc.

Further, in case any assets is used for development of any Property, plant and equipment or any other asset under construction then such assets are also recognised as "Capital Work in

Progress". Such expenditures presently include construction water, construction power, Site enabling works etc and will be apportioned appropriately among the cost of the assets capitalized when the commercial activities of the project will be started.

Expenditure incurred for activities directly related to the project which are not identifiable for a particular capital assets are shown as Expense during Construction. 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 as work in progress named as Expense during Construction. and will be apportioned appropriately among the cost of the assets capitalized when the commercial activities of the project will be started.

2.6 Mining expenses

Expenditure incurred on mining activities are kept under this head till determination of technical feasibility and the assessment of commercial viability of an identified resource. Once proved reserves are determined and development of mines/project is sanctioned, the said expenditure is transferred to "Development" under capital work in progress. However, if proved reserves are not determined, the same is charged off to revenue.

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.

2.8.4 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

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.

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 (i.e. Bill selling rate of State Bank of India) prevailing at the transaction date (The date when the transaction is accounted for in the books of Accounts). Monetary assets and liabilities denominated in foreign currencies outstanding at the end of the reporting period are translated at the exchange rates (i.e. Bill selling rate of State Bank of India) prevailing as at the end of reporting period. Foreign Exchange differences arising on the settlement of monetary assets and liabilities for identifiable assets is added to the cost of such assets.

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 recognized 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. Example: Accrued interest recognized as on reporting date.

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	Building (including Roads and culvert)	Office Equipment	Computer	Air Conditioner	Plant & Machinery	Total
Gross Carrying Amount:							
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
As at 1 April 2021	44.42	-	26.27	18.11	10.89	-	99.69
Additions	22.35	9,771.71	8.63	7.20	12.26	0.87	9,823.02
Deletions/Adjustments	-	-	-	-	-	-	-
As at 31 March 2022	66.77	9,771.71	34.90	25.31	23.15	0.87	9,922.71
Accumulated Depreciation and Impairment							
As at 1 April 2020	6.97	-	3.48	7.77	2.48	-	20.70
Charge for the period	0.44	-	4.24	4.99	1.79	-	11.46
Impairment	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-
As at 31 March 2021	7.41	-	7.72	12.76	4.27	-	32.16
As at 1 April 2021	7.41	-	7.72	12.76	4.27	-	32.16
Charge for the period	5.70	372.66	5.67	4.60	3.78	0.05	392.46
Impairment	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-
As at 31 March 2022	13.11	372.66	13.39	17.36	8.05	0.05	424.62
Net Carrying Amount							
As at 31 March 2022	53.66	9,399.05	21.51	7.95	15.10	0.82	9,498.09
As at 31 March 2021	37.01	-	18.55	5.35	6.63	-	67.53

NOTES TO THE FINANCIAL STATEMENTS
NOTE 4 : CAPITAL WIP

	(Amount in ₹ lakhs)									
	Land & Development	Water plant	Silo	Pre-project Electrical works	Roads & Culverts	Ammonia Urea Plant	Coal Gasification Plant	Building Underconstruction	Expenses During Construction-CWIP	Total
Gross Carrying Amount:										
As at 1 April 2020	3,789.18	631.16	5.00	939.96	141.17	-	-	-	6,309.61	11,876.08
Additions	2,734.45	67.64	-	115.04	6,171.91	22,495.44	38,745.90	865.87	4,326.37	75,522.62
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	10,695.98	87,398.70
As at 1 April 2021	6,523.63	698.80	5.00	1,055.00	6,313.08	22,495.44	38,745.90	865.87	10,695.98	87,398.70
Additions	1,475.06	1,573.60	-	62.66	2,575.26	15,485.13	34,979.27	474.53	4,436.77	61,062.28
Capitalisation Deletions	-	-	-	-	8,888.34	-	-	883.37	-	9,771.71
As at 31 March 2022	7,998.69	2,272.40	5.00	1,117.66	-	37,980.57	73,725.17	457.03	15,132.75	1,38,689.27
Provision and Impairment										
As at 1 April 2020	-	-	-	-	-	-	-	-	-	-
Charge for the period	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-
As at 31 March 2021	-	-	-	-	-	-	-	-	-	-
As at 1 April 2021	-	-	-	-	-	-	-	-	-	-
Charge for the period	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Deletions/Adjustments	-	-	-	-	-	-	-	-	-	-
As at 31 March 2022	-	-	-	-	-	-	-	-	-	-
Net Carrying Amount										
As at 31 March 2022	7,998.69	2,272.40	5.00	1,117.66	-	37,980.57	73,725.17	457.03	15,132.75	1,38,689.27
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	10,695.98	87,398.70

Ageing schedule for Capital-work-in Progress:

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress:					
Land & Development	1,475.06	2,734.44	3,120.69	668.50	7,998.69
Water plant	1,573.60	67.64	417.75	213.42	2,272.41
Silo	-	-	-	5.00	5.00
Pre-project Electrical works	62.66	115.04	939.96	-	1,117.66
Ammonia Urea Plant	15,485.13	22,495.44	-	-	37,980.57
Coal Gasification Plant	34,979.26	38,745.90	-	-	73,725.16
Building Underconstruction	457.03	-	-	-	457.03
Expensed during Construction	4,436.77	4,326.37	4,644.09	1,725.52	15,132.75
Total	58,469.51	68,484.83	9,122.49	2,612.44	1,38,689.27

Note:

- Addition of Rs 15485.13 lakhs in Work in Progress of Ammonia-Urea Plant includes includes Foreign exchange fluctuation amount of Rs 427.22 lakh
- Addition of Rs 34979.26 lakhs in Work in Progress of Coal gasification Plant includes includes Foreign exchange fluctuation amount of Rs 111.29 lakh
- Addition of Rs 4436.77 lakhs in Expense during Construction includes Depreciation on Admin Building and Roads and Culverts of Rs 16.21 lakhs and Rs 318.09 lakhs respectively. The said amount has been capitalized as Expense during Construction instead of charging off in statement of Profit & Loss

(Amount in ₹ lakhs)

As at

	31.03.2022	31.03.2021
Security Deposit to-TPCODL	64.57	117.76
Security Deposit to-RWSS Division	1.11	1.11
Total	65.68	118.87

NOTES TO THE FINANCIAL STATEMENTS
NOTE 6 : OTHER NON-CURRENT ASSETS

(Amount in ₹ lakhs)

	As at	
	31.03.2022	31.03.2021
Capital Advances:		
- Advance for LSTK Contracts ¹	45,678.17	38,766.77
- Advance to OFDC	112.28	262.14
- Advance to OPTCL	904.37	43.42
- Advance to CESU for Supply of Power to Intake Well	23.37	23.37
- Advance for RoR	4.34	4.34
-Advance Water Charges	13.87	13.87
-Other Advance	-	-
Total	46,736.40	39,113.91

1. Advance for LSTK Contracts represents mobilization advances given to Wuhuan for Coal Gasification and Ammonia-Urea Plants as per the Contract Terms.

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

	(Amount in ₹ lakhs)	
	As at	
	31.03.2022	31.03.2021
Balances with Banks		
- in Deposit Accounts	62,136.28	93,119.90
- in Current Accounts	2.46	18.16
Cash on hand	-	-
Accured Interest	1,065.97	824.60
Total	63,204.71	93,962.66

(Amount in ₹ lakhs)

As at

	31.03.2022	31.03.2021
Balances with Banks		
- in Deposit Accounts	41.62	41.62
Total	41.62	41.62

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 9 : LOANS-CURRENT

(Amount in ₹ lakhs)

As at

31.03.2022

31.03.2021

Total

-

-

(Amount in ₹ lakhs)

	As at	
	31.03.2022	31.03.2021
Security Deposit to CISF	256.31	256.31
Security Deposit to-IDCO	22.99	23.00
Total	279.30	279.31

NOTES TO THE FINANCIAL STATEMENTS
NOTE 11 : OTHER CURRENT ASSETS

	(Amount in ₹ lakhs)	
	As at	
	31.03.2022	31.03.2021
- GST Receivable	2,960.33	1,065.52
- GST Refundable	0.87	1.38
- GST unclaimed ¹	13,036.42	952.50
- Security deposits	46.55	46.55
- Advance to employees	0.75	1.25
- Advance to NSDL	0.01	-
- Advance to CMPDIL	-	1.42
-Advance to NSDL/NDML	0.01	0.01
-Advance payment of GST TDS	-	0.01
-Advance to Distric Emergency Section, Angul	1.66	-
-Advance to East Cost Railway	168.39	-
-Advance for Coal Analysis	0.12	-
-Advance to CISF UNIT	2.40	-
-Advance for LEI Fees	0.04	-
-Advance to Pramod Kumar Nayak	45.00	-
-Advance to Pradhan Gas Services	0.10	0.10
-Royalty Recoverable-WECL	8.93	-
-Prepaid expenses	5.51	5.50
-Advance to SBI-Project Finance Branch	23.60	-
Total	16,300.68	2,074.24

1. GST unclaimed of Rs. 13036.42 lakhs (Rs. 952.50 lakhs as on 31.03.2021) represents the amount of GST claimable as input tax credit.

NOTES TO THE FINANCIAL STATEMENTS
NOTE - 12 : EQUITY SHARE CAPITAL

(Amount in ₹ lakhs)
As at

<u>Authorised</u>	<u>31.03.2022</u>	<u>31.03.2021</u>
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
	4,20,000.00	4,20,000.00
<u>Issued, Subscribed and Paid-up</u>		
2,41,64,47,478 Equity Shares of ₹10/- each (1,60,64,46,272 Equity Shares of ₹10/- each)	2,41,644.75	1,60,644.63
	2,41,644.75	1,60,644.63

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

Name of Shareholder	No. of Shares Held (Face value of ₹10 each)	% of Total Shares	No. of Shares Held (Face value of ₹10 each)	% of Total Shares
	31.03.2022		31.03.2021	
Coal India Limited	80,54,80,826	33.33	53,54,80,424	33.33
Rashtriya Chemicals and Fertilisers Ltd.	80,54,80,826	33.33	53,54,80,424	33.33
GAIL (India) Ltd.	80,54,80,826	33.33	53,54,80,424	33.33
Fertiliser Corporation of India Ltd.	5,000	0.000	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	31.03.2022	31.03.2021
Shares outstanding at the beginning of the period	1,60,64,46,272	47,85,19,421
Shares Issued during the period*	81,00,01,206	1,12,79,26,851
Shares bought back during the period	-	-
Shares outstanding at the end of the period	2,41,64,47,478	1,60,64,46,272

*During the FY 2021-22, equity shares of 270000402 have been issued to each of the promoter i.e. CIL, GAIL & RCF on right basis.

4. Shareholding of promoter:

Shares held by promoters at the end of the FY 2021--22			% change during the quarter
Sl. No.	Promoter's name	No. of shares	% of total shares
1.	Coal India Limited	80,54,80,826	33.33
2.	Rashtriya Chemicals and Fertilisers Ltd.	80,54,80,826	33.33
3.	GAIL (India) Ltd.	80,54,80,826	33.33
4.	Fertiliser Corporation of India Ltd.	5,000	0.00
Total		2,41,64,47,478	100.00

NOTES TO THE FINANCIAL STATEMENTS
NOTE 13 : OTHER EQUITY

(Amount in ₹ lakhs)

	General Reserve	Retained Earnings	Total
Balance as at 01.04.2020	-	(2,256.25)	(2,256.25)
Total Comprehensive Income for the year	-	635.95	635.95
Addition/Adjustment during the year	-	-	-
Balance as at 31.03.2021	-	(1,620.30)	(1,620.30)
Balance as at 01.04.2021	-	(1,620.30)	(1,620.30)
Total Comprehensive Income for the Year	-	(593.98)	(593.98)
Addition/Adjustment during the Year	-	-	-
Balance as at 31.03.2022	-	(2,214.28)	(2,214.28)

(Amount in ₹ lakhs)

	As at	
	31.03.2022	31.03.2021
Provision for Retirement Exp	0.33	-
Total	0.33	-

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 15 :TRADE PAYABLES

(Amount in ₹ lakhs)

As at

31.03.2022 31.03.2021

Current

Trade Payables for Micro, Small and Medium Enterprises	29.60	10.55
Other Trade Payables for goods and services	67.04	190.20

TOTAL

96.64 200.75

Particulars	Outstanding for following periods from transaction date				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	29.60				29.60
(ii) Others	67.04				67.04
(iii) Disputed dues - MSME					
(iv) Disputed dues - Others					
Total	96.64				96.64

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 16 : OTHER FINANCIAL LIABILITIES-CURRENT

(Amount in ₹ lakhs)

	As at	
	31.03.2022	31.03.2021
Earnest Money	-	85.90
Retention Money ¹	2,549.33	1,705.17
Security deposits	33.76	30.55
Other Trade Payables for capital expenditure-Other	2,604.75	3,412.54
Other Trade Payables for capital expenditure-MSME	231.39	114.71
Contractual Expenses: Capital	28,014.21	51,657.23
Liability for cost of employees on deputation ²	1,170.50	5,814.51
Audit fee payable	0.27	0.16
Provision for Expenses Payable ³	224.74	470.03
Liability for Salary Wages and Allowance	0.39	-
Other liabilities	1.15	1.15
Provision for Leave Encashment	0.13	
TOTAL	34,830.62	63,291.95

1. Amount of Rs 14.72 lakh has been kept hold till finalization of Rent Agreement between TFL and RCF for Registered office at Bhubaneswar

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 was kept as liability w.e.f 01.04.2017. During the nine months period ended 31.12.2022, long due payment was released to the JV partners based on the amount appearing as liability as on 30.06.2021.

During the FY 2021-22, the cost of technical employees of Rs. 1750.71 lakhs (31.03.2021 Rs. 1374.12 lakhs) has been capitalized as pre-operative expenditure and cost of non-technical employees of Rs. 531.17 lakhs (31.03.2021 Rs. 340.12 lakhs) has been charged to revenue during the period.

The liability for cost of employees on deputation above includes an amount of Rs. 108.82 lakhs (Rs. 1108.72 lakhs as on 31.03.2021) for CIL, Rs. 688.23 lakhs (Rs. 3774.05 lakhs as on 31.03.2021) for GAIL and Rs. 379.45 lakhs (Rs. 827.15 lakhs as on 31.03.2021) for RCF.

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

3. Provision for expenses payable of Rs 224.74 lakhs includes provision of Rs 0.50 lakh made against Advance given to the TFL Employee

NOTES TO THE FINANCIAL STATEMENTS
NOTE - 17 : OTHER CURRENT LIABILITIES

(Amount in ₹ lakhs)

	As at	
	31.03.2022	31.03.2021
Statutory dues		
- TDS	585.24	553.23
- GST TDS	21.19	0.01
- GST payable	56.12	17.40
- BOCW cess	2.95	6.17
TOTAL	665.50	576.81

NOTES TO THE FINANCIAL STATEMENTS
NOTE - 18 : OTHER INCOME

(Amount in ₹ lakhs)

	Year ended on 31.03.2022	Year ended on 31.03.2021
Interest from deposits with banks	2,123.48	1,375.76
Interest Income-Other Than Bank ¹	15.70	-
Misc. income ²	4.24	
Liquidated damages	1.39	1.43
Interest on SD	3.57	-
Interest Income From TDS Refund	3.69	-
Recruitment Application Fees	0.54	
TOTAL	2,152.61	1,377.19

1. Interest of Rs. 15.70 lakhs has been recognised as interest income on the unadjusted balance of mobilization advance of Coal Gasification contract awarded to M/s Wuhuan Engineering Co. Ltd. on estimated basis pending clarification sought by management from experts on certain clauses of the Detailed Letter of Acceptance (DLOA) issued to M/s Wuhuan Engineering Co. Ltd.”

2. An amount of Rs 5.00 lakhs against token deposit towards basic technical package of M/s Shell for coal gasification tender was shown in EMD in the Books in note no-15 "Other Financial Liabilities". However the amount to be forfeited by Company as per ITB clause no-8.1.1.1 which states that "in case prospective bidder who has remitted the above deposit does not submit their bid then the deposit shall be forfeited". Hence, the same is recognised as Income in current Financial Year and shown under the head Misc. income in note no-17 "Other Income"

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 19 :DEPRECIATION/AMORTIZATION/IMPAIRMENT

(Amount in ₹ lakhs)

	Year ended on 31.03.2022	Year ended on 31.03.2021
Depreciation expense	58.16	11.45
TOTAL	58.16	11.45

NOTES TO THE FINANCIAL STATEMENTS
NOTE - 20 : DEPUTATION COST

(Amount in ₹ lakhs)

	Year ended on 31.03.2022	Year ended on 31.03.2021
Salary, allowances, bonus, PRP, medical exp etc	406.09	342.23
Travelling expense	20.49	19.02
TOTAL	426.58	361.25

Deputation cost of employees of Rs. 361.25 lakhs as on 31.03.2021 includes Rs. 11.18 lakhs and Rs 18.54 lakh for cost of employee/TA DA provided by RCF for FY 2020-21 and from 01.04.2017 to 31.03.2020 respectively and Rs. 9.94 lakhs and Rs 64.92 lakhs for cost of employees/TADA provided by GAIL for FY 2020-21 and from 01.04.2017 to 31.03.2020 respectively .
The claim for above costs received during the FY 2021-22 from GAIL & RCF and hence accounted for as prior period item in current financial year.

NOTES TO THE FINANCIAL STATEMENTS
NOTE - 21 : OTHER EXPENSES

(Amount in ₹ lakhs)

	Year ended on 31.03.2022	Year ended on 31.03.2021
ACF/AMC of NSDL and NDML	0.80	0.80
Advertisement expenses	5.50	-
Audit Fee	0.30	0.18
Bank charges	3.38	0.45
Board Meeting Expenses	-	0.41
Cable Expenses	0.04	-
Canteen expenses	1.09	2.53
CMPDIL expenses	1,951.43	-
Computer Expenses	2.35	0.41
Consultancy charges	3.14	31.17
Courier charges	0.61	0.47
Electricity Charges	107.16	29.08
Fee to NSDL/NDML	0.01	0.04
Guest House expenses	2.21	0.70
Internet charges	4.36	4.36
IT Support service charges	-	0.19
Legal And Professional Fee	1.06	3.34
Lodging & Boarding exp- outsider	0.00	-
Meeting Expenses	8.21	2.35
Misc Expenses	4.77	16.30
Newspaper & Periodical Expenses	0.16	0.12
Office expenses	0.28	3.41
Office rent - Bhubaneswar	2.04	2.04
Office rent - Noida	82.02	97.20
Printing & Stationary	10.41	6.47
Purchase of digital signature	0.30	-
Repair & maintenance	0.15	3.95
Roc Fee	0.28	0.18
Staff Welfare	-	0.46
Promotional Expenses	5.33	-
Support Office Staff Services	35.72	18.19
Telephone Expenses	0.06	0.02
Translation Expenses	0.14	-
Transportation Expenses	0.01	-
Travelling Expenses	1.63	0.34
Website Maintenance Charges	1.28	0.91
CA Certification Fee	0.05	0.03
Civil Repair	1.69	0.26
Electrical Repair	1.72	3.60
Plant and Equipment Repair	2.11	0.19
Other Repair	1.69	-
Stamp Duty-NSDL	4.05	5.64
CISF Welfare Expenses	0.04	2.31
Legal Fees	-	2.90
Registration Fees to State Control Board	-	0.02
Water Charges Exp	4.07	-
Recruitment Expenses	0.69	-
Lodging & Boarding Exp. -Employees	0.01	-
Consultancy Charges-Advisor(Secretarial)	0.61	-
Lodging and Boarding-Revenue	0.73	-
Recruitment Travelling Allowance Exp	1.15	-
Hiring of Water Tanker Exp	0.27	-
TOTAL	2,255.10	241.02

NOTES TO THE FINANCIAL STATEMENTS
NOTE - 22 : ADDITIONAL INFORMATION

(Amount in ₹ lakhs)

1 Earnings per share

Sl. No.	Particulars	Year ended on 31.03.2022	For Year ended on 31.03.2021
(i)	Net Profit after tax attributable to Equity Share Holders (In Rs. lakhs)	(593.98)	635.95
(ii)	Weighted average no. of equity shares outstanding	1,30,35,53,751	85,05,40,908
(iii)	Basic & Diluted Earning per share (In Rs.) (Face value Rs. 10/- per share)	(0.05)	0.07

- 2 Commitment as on 31.03.2022: Rs.921615.04 lakhs (Rs. 771543.26 lakhs as on 31.03.2021) and Contingent liabilities as on 31.03.2022 - is Rs. 41.62 lakhs (Rs. 41.62 lakhs as on 31.03.2021) for issuance of Bank Guarantee for signing of water drawl agreement with irrigation division Angul

In Rs Lakhs

Particular	Basic	All Taxes	Total
Commitment	770254.54	151360.50	921615.04

- 3 The two major contracts for setting up the plant i.e. Coal Gasification plant and Ammonia Urea plant have been awarded to M/s Wuhuan Engineering Co. Ltd (WECL), China through global tender. As per terms of contract, mobilization advance @10% is payable initially which is interest free. The said payment is to be released in two instalments (i.e. 6% and 4%) in both the currencies i.e. INR and USD. After payment of mobilization, payment of running bills is to be made based on various milestones in both the currencies i.e. INR and USD as per the terms of Contracts. From each running bill, mobilization advance is to be recovered @15% of the bill value. The said recovery is to be done within 24 months period. However, based on monthly schedule provided by M/s WECL, some unadjusted amount remains after 24 months if recovery is done @15%. Hence, this unadjusted advance was equally distributed for recovery over first 24 months which lead to recovery of more than 15% in some months. In case, the recovery of advance is delayed beyond 24 months, interest shall be levied @ 1 year MCLR+5.25% for the unadjusted amount for the delayed period beyond 24 months.

Particular	USD Portion of contracts		INR portion of Contracts(In Rs Lakhs)		
	USD in million	USD Covered in INR (In Rs lakh)	Basic	Taxes	Total
Coal Gasification Plant					
Total Contract Value-	292.65	223378.13	251373.72	89866.93	341240.65
Balance Commitment value		165989.09	210289.93	74447.53	284737.45
Ammonia-Urea Plant					
Total Contract Value	148.10	113044.78	99710.24	41321.15	141031.38
Balance Commitment value		83706.75	79170.55	34922.60	114093.14

Liabilities involved foreign currency exposure as on 31.03.2022 of LSTK Contracts are provided below:

Particular	Amount in USD		Amount converted in Rs lakhs	
	Ammonia-Urea Plant	Coal Gasification Plant	Ammonia-Urea Plant	Coal Gasification Plant
Liability amount as on 31.03.2022	9937613.13	14141484.56	7585.38	10794.20

- 4 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. Rs. 13,27721.00 lakhs) was to be earmarked towards Enterprise Social Commitment (ESC). Till March 2022, Company had spent Rs. 590.69 lakh (Rs. 468.87 lakh as on 31.03.2021) 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 2022, Further TFL is also implementing following measures as part of its ESC
- a) Tender for Water treatment plant including Effluent treatment plant with Zero Liquid Discharge (ZLD) and Sewage Treatment plant(STP) as committed during public hearing have been awarded at the cost of Rs. 64796.55 lakhs (out of Rs 64796.55 lakhs approximate Rs 40000 lakhs is related to ETP with ZLD & STP)
- b) Installation of advanced designed ammonia storage system as committed during public hearing including an in built pollution control system to prevent emission of ammonia. The total estimated cost for Ammonia Storage facility would be Rs.12000-13000 lakhs approximately. This expenditure shall also be incurred in due course.
- Expenses on various Environment Pollution Control measures, which includes monitoring system for emission and other statutory requirements under other acts/ regulations as stipulated in Specific/ General conditions of the ESC will be incurred once the plant comes in to operation.
- 5 CSR policy is applicable on the company. Till date no CSR policy has been formed and no expenditure has been incurred by the company on CSR. Whenever company will start earning profits, provision for CSR will be made as per the law.

- 6 In case where balance confirmation has not been obtained, book balance have been taken.
- 7 There is no delayed payment due to the Micro, Small and Medium Enterprises as at the end of the year.

Details of MSME

	Rs in Lakhs	
	As at 31.03.2022.	As at 31.03.2021
Trade Payable - Total outstanding dues of Micro & Small enterprises	29.60	10.55
Other Trade Payables for capital expenditure-MSME	231.39	114.71
a) Principal & Interest amount remaining unpaid but not due as at period end	Nil	Nil
b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act,2006, along with the amount of the payment made to the supplier beyond the appointed day during the period.	Nil	Nil
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
d) Interest accrued and remaining unpaid as at period end	Nil	Nil
e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil

- 8 Preliminary expenses Rs. NIL/- has been written off during the period. Total preliminary expenses as on 31.03.2022 is Nil/-
- 9 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
- 10 During the FY 2020-21, loan for an amount of Rs. 955959.12 lakhs has been allocated to TFL. The loan amount is to be disbursed by consortium of banks. The interest rate of loan is interest rate of 6 month SBI MCLR plus spread of 0.65% p.a. The spread shall remain fixed for the entire period of the Facility except in the case as provided in the Term Sheet. MCLR shall be floating with semi -annual rests. The loan disbursement has not yet started and the present outstanding balance as on 31.03.2022 is Rs. Nil/-
- 11 Status of Legal cases:(1) Case No-CONTC No-4330 of 2021 For admission of case (POHAP SINGH KATARIA SECURITY AGENCY V/S Ravikant & ORS)(TALCHER FERTILIZER LTD.,TALCHER)) in in the High court of Orissa. Liability amounting to Rs 41.10 Lakhs has already been provided in Books of Accounts on 31.03.2021.
(2) WP.(C) No.24062 of 2021 For admission of case (Khirood Kumar Naik V/S State of Orissa (TALCHER FERTILIZER LTD.,TALCHER) in the High court of Orissa-he petitioner has alleged that contractor engaged by TFL has adopted improper practice of ash dumping thereby water streams in nearby village area. The matter had been listed in court only once and no order has been served. Since, no financial data is involved, it is not possible to provide any financial implication pertaining to the said case
- 12 Ministry of Coal vide letter no-NA-103/2/2017-NA dtd 10th May 2021 has Terminaed the allocation of North of Arkhapal (Northern part) Coal block to Talcher Fertilizers Ltd. Hence, the expenditure of Rs 1950.23 lakhs incurred for such mine earlier booked under Pre-operative expenses (Note 6 - Other Non-Current Assets) has been charged to statement of profit & loss in the month of June 2021 and Further Rs 1.20 lakh has been directly charged to statement of profit & loss in the December Qtr 2021. Further after cancellation of North of Arkhapal (Northern part) Coal block TFL has decided for long term linkage for coal, and same is under process.
- 13 The concession agreement was signed between FCIL and TFL on 29th January 2021. As per the scope of concession agreement signed between FCIL and Talcher Fertilizer Limited on 29th January,2021 at Delhi, the clause number 3.2.1 states that," Lease of Facility Area: With effect from the Effective Date, FCIL grants to the concessionaire a lease in respect of the Facility Area for the purpose of owing, developing, operating and maintaining a coal based fertilizer plant, products of which shall include production of urea, at the Facility as per the terms and conditions of the Agreement and the Lease Deed and the Concession hereby accepts such lease and agrees to own, develop, operate and maintain the facility in accordance with terms and condition of the Agreement."
A letter (Ref no-FCIL/CO/Revival/Talcher/ dtd 14.11.2018) was issued by FCIL permitting TFL for carrying out construction activity on FCIL'S land.
In accordance to Clause no 2.1.4 of the concession agreement directs FCIL to clear all taxes, claims and disputes or any form of encumbrance before transfer of land/building & assets to TFL for which TFL is repeatedly approaching FCIL authorities requesting them to take necessary actions for the same.
- 14 As per Section 138 of the Companies Act, 2013, internal auditor is required to be appointed in the company if the paid up share capital of the company exceeds Rs. 50 crore in preceeding financial year. The paid up share capital of the company exceeded Rs. 50 crore on 06.01.2020 and company has appointed internal auditors on 21.06.2022 for FY 2021-22.

- 15 As per Rule 18(1) of CGST/SGST rules , All registered taxpayers to display their registration certificate at a prominent location at their principal place of business along with every place of business. In compliance of the said rule the company affixed its GST registration certificate at principal place of business along with other places of business in the month of June 2022.
- 16 As per Companies Act 2013 , It is necessary for the company to have its name board outside its registered office, along with its name, Company's Identification Number, registered office address, phone number and e-mail id, fax number and website address. In compliance of above, company affixed the Name Board with all required details at registered office premises in the month of June 2022.
- 17 As per section 203 of Companies Act,2013 Every listed company and every other companies having paid up share capital of rupees 10 crores or more shall have a whole time company secretary in their Board. In compliance of the said section, company has appointed Mr. M Vishwanathan, who is the Company Secretary of one of the promoter company(CIL) temporarily till an alternative arrangement is made.

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

Sr No	Particulars	31.03.2022	31.03.2021
A	CIF Value of Import	Nil	Nil
B	Expenditure in Foreign Currency	Nil	Nil
C	Value of Raw materials, Stores, Spares & Components consumed	Nil	Nil
D	Earning in Foreign Currency	Nil	Nil

19 **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 on 31.03.2022	Year ended 31.03.2021
a) Coal India Limited	268.75	337.81
b) GAIL India Limited	1455.14	1169.53
c) Rashtriya Chemical & Fertilizers Limited	472.89	226.12
Total	2196.78	1733.46

Cost of rent and electricity for office space:

(Amount in ₹ lakhs)

	Year ended on 31.03.2022	Year ended 31.03.2021
a) GAIL India Limited	98.84	107.75
b) Rashtriya Chemical & Fertilizers Limited	2.18	2.13
Total	101.02	109.88

Meeting expenses:

(Amount in ₹ lakhs)

	Year ended on 31.03.2022	Year ended 31.03.2021
a) Rashtriya Chemical & Fertilizers Limited	0.00	0.41

20 **Key Managerial Personnel:**

- a) Shri S N Yadav - Managing Director
b) Shri Avijit Goswami - Director (Finance)
c) Shri Sanjay Arora- Director (Operations)
d) Shri M. Viswanathan - Company Secretary
e) Ms. A Lakshami Prabha-Director (Finance)

Remuneration to KMP:

(Amount in ₹ lakhs)

	Year ended on 31.03.2022	Year ended 31.03.2021
a) Shri S N Yadav - Managing Director (from 11.06.2020)	71.66	68.40
b) Shri Avijit Goswami - Director (Finance)	41.16	53.44
c) Shri Sanjay Arora- Director (Operations) (11.07.2020 till now)	34.01	29.48
d) P. Jana - CEO (till 12.06.2020)	0.00	15.58

e) Shri Santosh V Gawde -Director (Operations) (till
10.07.2020)
Total

0.00 3.50

146.83 170.40

21 Reconciliation of total comprehensive income for the year ended 31.03.2021 reported earlier and now restated:

Particulars	For the Year ended 31.03.2021
Total comprehensive income reported earlier (Audited)	657.08
Adjustment for prior period items:	
Deputation cost of employees (Note 20)	-11.18
Travelling Cost of employees (Note 20)	-9.94
Net increase/(decrease) in total Comprehensive income	-21.13
Total comprehensive income now restated	635.96
Basic EPS (reported earlier)	0.08
Basic EPS (restated now)	0.07

Reconciliation of Other Equity as at :-

Particular	31.03.2021	31.03.2020
Other Equity reported earlier (Audited)	(1,599.15)	(2,172.79)
Increase in the loss for FY 2020-21 forexpenses relating to FY 2018-19 (Refer above table)	(21.13)	(83.46)
Other Equity as at 31.03.2021 now restated	-1,620.28	-2,256.25

22 Reconciliation between ITC as per GSTR 3B and as per account in ₹ lakhs)

GST Receivable as per Accounts	2,960.33
Less Output GST for March 2021 to be taken in Accounts at the time of return filling	-
GST Receivable as per GSTR 3B	2,960.33

23 Ratios:

(a)	Current Ratio	Numerator (Rs in Lakhs)	Denominator (Rs in Lakhs)	Year ended on 31.03.2022	Year ended 31.03.2021	Variance
		80039.21	35597.85	2.25	1.50	49.46%
	The current ratio is a liquidity ratio that measures the current resources to meet its short-term obligations. Current ratio has been calculated as Current Assets divided by Current liabilities.					
	Reason for high variance:					
	Reason for high variance: Due to decrease in LSTK Liability as payment has been released to LSTK Contractor.					
(b)	Debt-Equity Ratio					Not Applicable
	The debt-equity ratio is a measure of the relative contribution of the creditors and shareholders or owners in the capital employed in business. Formula for calculation of Debt Equity ratio is Long term Debt Divided by Equity share Capital.					
(c)	Debt Service Coverage Ratio					Not Applicable
	This ratio measures the net operating income available to pay the short-term debt. The Debt Service Coverage Ratio is a useful benchmark to measure company's ability to meet their debt payments with cash. Formula for calculation of DSCR = EBIT divided by Interest.					
(d)	Return on Equity Ratio	Numerator (Rs in Lakhs)	Denominator (Rs in Lakhs)	Year ended on 31.03.2022	Year ended 31.03.2021	Variance
		-598.13	201144.69	-0.0030	0.0063	-146.85%
	Return on equity (ROE) is a measure of financial performance calculated by dividing net income by Average shareholders' equity. Where Net Income is Profit after tax for the period, average shareholders' equity = (Opening Equity share capital + Closing Equity share capital)/2					
	Reason for high variance: During current period, losses have been increased which has lead to negative ROE ratio.					
	Reason for high variance: During current period, losses have been increased and Equity was also increased which has lead to negative ROE ratio.					
(e)	Inventory turnover ratio					Not Applicable
	Inventory turnover is a financial ratio showing how many times inventory has been sold during a given period. Then days are divided in the period by the inventory turnover formula to calculate the days. Inventory Turnover is calculated by Divided Cost of Goods Sold/Average Value of Inventory.					
(f)	Trade Receivables turnover ratio					Not Applicable

	The receivables turnover ratio is an accounting measure used to quantify a company's effectiveness in collecting its accounts receivable, or the money owed by customers. Account receivables Turnover = Gross Credit Sales/Average trade receivables.					
(g)	Trade payables turnover ratio	Numerator (Rs in Lakhs)	Denominator (Rs in Lakhs)	Year ended on 31.03.2022	Year ended 31.03.2021	Variance
		211.24	148.70	1.42	1.35	4.98%
	Trade payable turnover shows how many times a company pays off its accounts payable during a period. Trade payables turnover ratio = Total Purchases/average Trade payables)					
	Reason for high variance: Due to increase in Electricity expenses and increase in Average Trade Payable					
(h)	Net capital turnover ratio			Not Applicable		
	Net Capital turnover is the measure that indicates organization's efficiency in relation to the utilization of capital employed in the business and it has been calculated as a ratio of total annual turnover divided by the total amount of stockholder's equity (Share Capital+ other equity)					
(i)	Net profit ratio			Not Applicable		
	Net profit as a percentage of Net Sales					
(j)	Return on Capital employed,	Numerator (Rs in Lakhs)	Denominator (Rs in Lakhs)	Year ended on 31.03.2022	Year ended 31.03.2021	Variance
		-591.36	239426.67	-0.0025	0.0048	-151.09%
	Earning before interest and tax (EBIT) / Capital employed, where capital employed is total of Assets - current liabilities					
	Reason for high variance: During current period, losses have been increased which has lead to negative ROCE ratio.					
(k)	Return on investment.	Numerator (Rs in Lakhs)	Denominator (Rs in Lakhs)	Year ended on 31.03.2022	Year ended 31.03.2021	Variance
		-598.13	239426.33	-0.0025	0.0040	-162.03%
	Profit after tax (PAT)/ Equity. Where Equity is total of share capital and other equity of the company.					
	Reason for high variance: During current period, losses have been increased which has lead to negative ROI ratio.					

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

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

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

26 Note 1 and 2 represents Corporate Information and Significant Accounting Policies respectively, Note 3 to 17 form part of the Balance Sheet as at 31.03.2022 and 18 to 21 form part of Statement of Profit & Loss for the Year ended on 31st March 2022 on that date. Note 22 represents additional notes to the financial statements.

As per our report annexed
For M/s Sadana & Co
Chartered Accountants
Firm Registration No. 011616N

For and Behalf of Board of Directors
Talcher Fertilizers Limited

CA. Amit Bansal, FCA
Partner
Membership No. 098966

(Sachchidanand Yadav)
MD-TFL
DIN: 08758377

(A. Lakshmiprabha)
Director(Fin)
DIN:09637525

Dated:
Place:

(Sanjay Arora)
Director (O)
DIN:08787083

(M Viswanathan)
Company Secretary
FCS 10594