# TALCHER FERTILIZERS LIMITED

(A JOINT VENTURE COMPANY PROMOTED BY GAIL, CIL, RCF & FCIL)

# 11TH ANNUAL REPORT

# (2025-26)

# Contents

# Present Board of Directors

**Shri Rajeev Kumar Singhal**
Chairman

**Shri Chiranjib Patra**
Director

**Shri Naresh Arya**
Director

**Smt. Jyoti V. Patil**
Director

**Shri Shyamal Roy**
Director (Operation)

**Shri Vivek Srivastava**
Managing Director

**Smt. Lakshmi Prabha Ambati**
Director (Finance)

# MEMBERS OF THE BOARD
**(As on date)**

| | | |
|---|---|---|
| Shri Rajeev Kumar Singhal | : | Chairman |

**Functional Directors:**

| | | |
|---|---|---|
| Shri V. K. Srivastava | : | Managing Director |
| Shri Shyamal Roy | : | Director (Operation) |
| Smt. Lakshmi Prabha Ambati | : | Director (Finance) |

**Non-Executive Directors:**

| | | |
|---|---|---|
| Shri Chiranjib Patra | : | Nominee Director, CIL |
| Shri Naresh Arya | : | Nominee Director, FCIL |
| Smt. Jyoti V. Patil | : | Nominee Director, RCF |

# MANAGEMENT DURING THE F.Y. 2025-26

| | | |
|---|---|---|
| Shri Deepak Gupta | : | Chairman (upto 28.02.2026) |
| Shri Rajeev Kumar Singhal | : | Chairman (from 01.03.2026) |

**Functional Directors:**

| | | |
|---|---|---|
| Shri V. K. Srivastava | : | Managing Director |
| Shri Shyamal Roy | : | Director (Operation) |
| Smt. Lakshmi Prabha Ambati | : | Director (Finance) |

**Non-Executive Directors:**

| | | |
|---|---|---|
| Shri Chiranjib Patra | : | Nominee Director, CIL |
| Shri Naresh Arya | : | Nominee Director, FCIL |
| Shri G. Seshadri | : | Nominee Director (upto 31.01.2026) |
| Smt. Jyoti V. Patil | : | Nominee Director, RCF (from 01.02.2026) |

**Chief Financial Officer:**

| | | |
|---|---|---|
| Smt. Lakshmi Prabha Ambati | : | Chief Financial Officer |

**Permanent Invitees:**

| | | |
|---|---|---|
| Shri Satyabrata Mishra | | COO (Upstream) [upto 25.05.2026 (A/N)] |
| Dr. Sambana Ramesh | : | COO (Upstream) [from 25.05.2026 A/N)] |
| Shri Sunil Pevekar | : | COO (Downstream) |

**Company Secretary:**

| | | |
|---|---|---|
| Shri Rahul Kr. Tiwari | : | (upto 11.11.2025) |
| Shri Dinesh Singh Jhala | : | (from 19.02.2026) |

# Registered Office:

Plot No. 2/H, Kalpana Area,
BJB Nagar, Khurda,
Khorda, Bhubaneswar,
Odisha – 751014

# Site Office:

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

# Statutory Auditor:

**M/s. Pratyush & Associates**
**Anjaneya, A/152, Saheed Nagar, Bhubaneswar, Odisha – 751 007, India**
**Email: capratyush@gmail.com**

# Secretarial Auditor:

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

# Internal Auditor:

**M/s. Chatterjee Gazi & Associates**
**Ground Floor, Radharani Apartment, 28 Tilak Chowdhury Lane, Dumdum, Kolkata, West Bengal - 700030,**
**Email: cg.co513@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 (Lead Bank), New Delhi along with other Consortium Banks**

# NOTICE OF 11TH ANNUAL GENERAL MEETING

**NOTICE** is hereby given to the members of M/s. Talcher Fertilizers Limited ("TFL"/ "Company") that the 11th (Eleventh) Annual General Meeting of the Company will be held at shorter notice on **26th September, 2026, at 10.00 A.M.** through Video Conference (VC)/ Other Audio-Visual Means (OAVM) facility at Administrative Building, TFL, Talcher, P.O. Vikrampur, District – Angual, Odisha-759106 i.e. the place where all the recordings of the proceedings at the Meeting would be made, to transact the following businesses:

**ORDINARY BUSINESS:**

**1)** To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2026 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, and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** Audited Financial Statements of the Company for the Financial Year ended March 31, 2026, Report of Directors and Auditors thereon and the comments of the Comptroller & Auditor General of India thereon be and are hereby considered and adopted."

**2)** To authorize the Board of Directors to fix the remuneration of Statutory Auditors appointed by C&AG for the Financial Year 2026-27 and in this regard, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to fix the remuneration, out of pocket expenses, travelling expenses and other ancillary expenses of the Statutory Auditors as appointed by the Comptroller and Auditor General of India for conducting the Statutory Audit of the Company for the Financial Year 2026-27."

**3)** To appoint a Director in place of Smt. Lakshmi Prabha Ambati (DIN - 09637525) who retires by rotation and being eligible, offers herself for re-appointment and in this regard, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** Smt. Lakshmi Prabha Ambati (DIN - 09637525), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and Clause 112 of Articles of Association of the Company and being eligible, offers herself for re-appointment be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

**4)** To appoint a Director in place of Shri Naresh Arya (DIN - 10627329) who retires by rotation and being eligible, offers himself for re-appointment and in this regard, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** Shri Naresh Arya (DIN - 10627329), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and Clause 112 of Articles of Association of the Company and being eligible, offers himself for re-appointment be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

**SPECIAL BUSINESS:**

**5)** To appoint Shri Rajeev Kumar Singhal (DIN - 09230386) as Director/Chairman of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force) and in accordance with the Articles of Association of the Company, Shri Rajeev Kumar Singhal (DIN:

09230386), who was appointed by the Board of Directors as an Additional Director/Chairman designated as Part-time Director of the Company with effect from 01.03.2026 and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Part-time Director of the Company and, in terms of Clause 112 of the Articles of Association of the Company, shall not be liable to retire by rotation."

**6)** To appoint Smt. Jyoti V. Patil (DIN - 11528979) as Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s), amendment(s) or re-enactment thereof for the time being in force) and in accordance with the Articles of Association of the Company, Smt. Jyoti V. Patil (DIN: 11528979), who was appointed by the Board of Directors as an Additional Director designated as Part-time Director of the Company with effect from 01.02.2026 and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as a Part-time Director of the Company and shall be liable to retire by rotation."

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**By order of the Board of Directors**

**For, Talcher Fertilizers Limited**

**Sd/-**
**(Dinesh Singh Jhala)**
**Company Secretary**
**A31656**

**Date:17-09-2026**
**Place: Talcher, Odisha**

**Registered Office:**
Plot 2/H, Kalpana Area,
BJB Nagar, Khurda, Bhubaneswar
– 751014

**Copy, pursuant to Section 101 (3) of the Act, to:**

1. **All Shareholders of the Company;**
2. **All Directors of the Company;**
3. **M/s. Pratyush & Associates, Chartered Accountants (Statutory Auditor)**
4. **M/s. Arun Kumar Maitra & Co., Company Secretaries (Secretarial Auditor)**

**Notes:**

1) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”), relating to the Special Business to be transacted at the Annual General Meeting (‘AGM’ or ‘Meeting’) is annexed hereto.

2) The Ministry of Corporate Affairs has allowed conducting Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") and dispensed the personal presence of the Members at the meeting. Accordingly, the Ministry of Corporate Affairs issued General Circular No. 03/2025 dated September 22, 2025 read with earlier circulars issued in this regard (“MCA Circulars”) prescribing the procedures and manner of conducting the AGM through VC/ OAVM.

In compliance with the provisions of the Act and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

Pursuant to Section 101 of the Act, the consent of the members to hold the AGM at a shorter notice is being obtained by the Company.

The deemed venue for the AGM shall be Administrative Building, Talcher Fertilizers Limited, Talcher, P.O. Vikrampur, Distt. – Angul (Odisha) - 759106

Since, the Company is conducting AGM through VC/OAVM, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and therefore, Proxy Form is not forming part of the Notice. Further, Attendance slip and Route Map of the Venue is also not forming part of the 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.

3) 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.

4) All documents referred to in the Notice calling the AGM and the Explanatory Statement including statutory registers 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

5) 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. Where a poll on any item is required, the members shall cast their vote on the resolutions only by sending emails through their email addresses which are registered with the Company and the members shall convey their assent or dissent only by sending emails to comsecy@tflonline.co.in

6) The Members will be allowed to pose questions during the course of the Meeting. The queries can also be given in advance at comsecy@tflonline.co.in

7) The Notice calling the AGM has been uploaded on the website of the Company at http://tflonline.co.in/.

8) Those Shareholders whose email IDs are not registered/ updated, are requested to register/update their email ID with the Company by sending a mail to comsecy@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, are enclosed with this notice.

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## PROCEDURE FOR JOINING THE AGM THROUGH VC:

1) The Company is providing VC/OAVM facility to its Members for participating at the AGM.

2) Members will be able to attend the AGM through VC at the link which will be separately shared via email one day prior to the meeting.

3) Facility of joining the AGM through VC will be kept open 15 minutes before the time scheduled to start the meeting and will not be closed till the expiry of 15 minutes after such scheduled time.

4) For any help or assistance with regard to participation in the meeting, kindly contact the Company Secretary of the Company through email id – comsecy@tflonline.co.in

5) Members are encouraged to join the meeting through laptops for better experience and allow camera and use Internet with a good speed to avoid any disturbance during the meeting.

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# EXPANATORY STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

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

**Item No.5:**

In pursuance to nomination received from GAIL (India) Limited, the Board of Directors through resolution by circulation RBC: BoD-09/2025-26 had appointed Shri Rajeev Kumar Singhal (DIN - 09230386), as an Additional Director/Chairman to function as part time Director in the Company. His tenure as an Additional Director is up to the date of this AGM or last date on which the AGM should have been held, whichever is earlier.

The details regarding his qualification, expertise, date of first appointment on the Board, relationship with other KMPs and Director, Shareholding in the Company, Number of Meeting attended during the year, Membership/ Chairmanship of Committee of the Boards and other information are enclosed with this notice.

He is not drawing any remuneration or sitting fees from the Company and he does not hold any shares in the Company.

The Company has received a notice in writing pursuant to provision of Section 160 of the Companies Act, 2013, signifying intention to propose the appointment of Shri Rajeev Kumar Singhal (DIN - 09230386) as Director on the Board of the Company.

Shri Rajeev Kumar Singhal (DIN - 09230386) is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

None of the Director, Key Managerial Personnel or their relatives, except Shri Rajeev Kumar Singhal (DIN - 09230386) 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.

Brief profile of Shri Rajeev Kumar Singhal (DIN - 09230386) as required under Secretarial Standards on General Meeting are enclosed with this notice.

**Item No.6:**

In pursuance to nomination received from Rashtriya Chemicals and Fertilizers Limited, the Board of Directors in 120th Meeting held on 19.02.2026 had appointed Smt. Jyoti V. Patil (DIN:11528979), as an Additional Director to function as part time Director in the Company. Her tenure as an Additional Director is up to the date of this AGM or last date on which the AGM should have been held, whichever is earlier.

The details regarding her qualification, expertise, date of first appointment on the Board, relationship with other KMPs and Director, Shareholding in the Company, Number of Meeting attended during the year, Membership/ Chairmanship of Committee of the Boards and other information are enclosed with this notice.

She is not drawing remuneration or sitting fees from the Company. She holds one share in the Company.

The Company has received a notice in writing pursuant to provision of Section 160 of the Companies Act, 2013, signifying intention to propose the appointment of Smt. Jyoti V. Patil (DIN:11528979), as Director on the Board of the Company.

Smt. Jyoti V. Patil (DIN:11528979) is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

None of the Director, Key Managerial Personnel or their relatives, except Smt. Jyoti V. Patil (DIN:11528979) 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.

Brief profile of Smt. Jyoti V. Patil (DIN:11528979) as required under Secretarial Standards on General Meeting are enclosed with this notice.

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**BRIEF DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 11TH AGM OF THE COMPANY**

| Name | Shri Rajeev Kumar Singhal (DIN - 09230386) | Smt. Jyoti V. Patil (DIN:11528979), |
|---|---|---|
| Date of Birth & Age | 05.02.1968 (58 years) | 16.07.1969 (57 Years) |
| Date of first Appointment on the Board | Designated as Additional Director & Chairman w.e.f. 01.03.2026 | Designated as Additional Director w.e.f. 01.02.2026 |
| Qualification | Electronics Engineer from Indian Institute of Technology (IIT) BHU Varanasi and holds a Diploma in Business and Finance from Institute of Chartered Financial Analysts of India (ICFAI). | B.Tech. degree in Chemical Engineering and is a Silver Medalist. |
| Experience | He joined GAIL in 1989 as Assistant Executive Engineer and has over 37 years of diverse experience across multiple functions including Operation and Maintenance of Hydrocarbon installations, Marketing, International LNG Trading, Shipping, thereby bringing extensive expertise in the hydrocarbon and energy sector.<br><br>In his current role, Shri Singhal is pursuing Business Development initiatives aimed at expanding GAIL's Business Portfolio in India and overseas. His area of focus encompasses M&A transactions in different sectors, development of Gas Infrastructure, establishment of New Fertilizer Plants, Petrochemical O&M and Portfolio Expansion, settingup of CBG Plants, Coal Gasification Projects, Shipping initiatives in India and globally, Diversification, Exploration & Production, Research & Development, Start–Up with a strong emphasis on enhancing GAIL's renewable energy portfolio.<br><br>Earlier, as Head of the LNG Sourcing Group at GAIL, Shri Singhal has handled international negotiations with diverse sourcing destinations viz Qatar, Australia, USA & Russia involving contracts indexed to a mix of | She joined RCF as a Management Trainee in 1990 and brings over 36 years of rich and diverse professional experience in the fertilizer and chemical industry.<br><br>Over the course of her distinguished career, she has held several key positions across Technical Services and operations, including DGM (Technical Services & Central Control Laboratory) and GM (SGP, Technical Services, Plant Health Services, Workshop, ETP, and Projects).<br><br>Currently, she serves as Executive Director (Projects, Corporate & Coordination) at RCF.<br><br>In this role, she is responsible for overseeing major projects at Thal, including the NPK Plant, Phosphoric Acid Plant, Ammonia Energy Saving Project, Ultrafiltration in the Water Treatment Plant, HRSCC, and ETP Upgradation Phase II. |

| | | |
|---|---|---|
| | Brent, JCC & Henry Hub benchmarks. His notable achievements include creating a market for Henry hub linked RLNG in India, marketing long-term RLNG volumes to Fertilizer plants across the country and developing new gas markets in Karnataka, Kerala and West Tamil Nadu, where natural gas was reaching for the first time. | |
| Directorship held in other Companies (As per last disclosure received from the Directors) | 1) Fayum Gas<br>2) TAPI Pipeline Company Limited<br>3) LNG Japonica Shipping Corporation Limited<br>4) Maharashtra Natural Gas Limited<br>5) Coal Gas India Limited<br>6) Talcher Fertilizer Limited | NIL |
| Membership / Chairmanship of Committees in other Companies* | 1) Coal Gas India Limited<br>- Audit Committee - Chairperson | 1) Talcher Fertilizers Limited<br>- Audit Committee - Chairperson |
| Relationship with other Directors / KMP of the Company | None | None |
| No. of shares held in TFL | NIL | One |
| Terms & Conditions of appointment and re-appointment | Nominee of Gail (India) Limited ("GAIL"), Promoter Company | Nominee of Rashtriya Chemicals and Fertilizers Limited, Promoter Company |
| Details of Remuneration (to be paid / last drawn) | NIL | NIL |
| Attendance in Board Meetings held during 2025-26 | No. of Board Meetings held: 1<br>No. of Board Meetings attended: 1 | No. of Board Meetings held: 2<br>No. of Board Meetings attended: 2 |

*****Note: *Membership/ Chairmanship pertaining only to Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee have been taken into consideration.*

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**BRIEF DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 11TH AGM OF THE COMPANY**

| Name | Shri Naresh Arya (DIN - 10627329) | Smt. Lakshmi Prabha Ambati (DIN - 09637525) |
|---|---|---|
| Date of Birth & Age | 21.12.1977<br>(48 years) | 07.09.1978<br>(48 Years) |
| Date of first Appointment on the Board | Designated as Director w.e.f. 22.05.2024 | Designated as Director (Finance) w.e.f. 14.06.2022 |
| Qualification | Indian Cost Accounts Service Officer. Chartered Accountant and M.A. in Economics. | Master of Business Administration (Finance) from prestigious Jawaharlal Nehru Technological University, Hyderabad in 2000. |
| Experience | Shri Naresh Arya, Director (Finance), Hindustan Fertilizer Corporation Limited (HFCL) and Fertilizer Corporation of India Limited (FCIL) w.e.f 30.04.2024.<br><br>He also serves in the capacity of Non-Executive Director on the Board of Ramagundam Fertilizers and Chemicals Limited (RFCL) w.e.f. 19.05.2024 and Hindustan Urvarak & Rasayan Limited w.e.f. 14.05.2024.<br><br>He is presently working as Director in Fertilizer Industry Coordination Committee (FICC) in the Department of Fertilizers, Ministry of Chemicals and Fertilizers, Govt. of India.<br><br>He has also worked in the commercial wing of Comptroller & Auditor General of India (C&AG), Department of Expenditure, National Pharmaceutical Pricing Authority, Department of Personnel and Training and Department of Commerce.<br><br>He possesses wide experience in Government accounts and finance, costing, trade remedy laws, audit, establishment etc. | She is nominated Director (Finance) Talcher Fertilizers Limited (TFL) on 4th June 2022.<br><br>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.<br><br>She was also Member of Working Committee for suitable pricing model for marketing of Methanol.<br><br>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.<br><br>She has diverse experience of 22 years of which 16 years is in Coal Industry. |
| Directorship held in other Companies (As per last disclosure | 1) Ramagundam Fertilizers and Chemicals Limited<br>2) Hindustan Urvarak & Rasayan Limited<br>3) Talcher Fertilizer Limited | NIL |

| | | |
|---|---|---|
| received from the Directors) | 4) Fertilizer Corporation of India Limited<br>5) Hindustan Fertilizers Corporation Limited | |
| Membership / Chairmanship of Committees in other Companies* | 1) Talcher Fertilizers Limited<br>- Audit Committee - Member<br>2) Ramagundam Fertilizers and Chemicals Limited<br>- Audit/NRC/CSR Committee - Member | 1) Talcher Fertilizers Limited<br>- Audit Committee – Member |
| Relationship with other Directors / KMP of the Company | None | None |
| No. of shares held in TFL | NIL | NIL |
| Terms & Conditions of appointment and re-appointment | Nominee of Fertilizers Corporation of India Limited, Promoter Company | Nominee of Coal India Limited (“CIL”), Promoter Company |
| Details of Remuneration (to be paid / last drawn) | NIL | Remuneration paid by her Parent Organization and reimbursed by TFL |
| Attendance in Board Meetings held during 2025-26 | No. of Board Meetings held: 14<br>No. of Board Meetings attended: 13 | No. of Board Meetings held: 14<br>No. of Board Meetings attended: 14 |

*****Note: *Membership/ Chairmanship pertaining only to Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee have been taken into consideration.*

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## BRIEF PROFILES OF DIRECTORS

1. **Shri Rajeev Kumar Singhal – Chairman (DIN 09230386)**:

Mr. Singhal is an Electronics and Communication Engineer from IIT BHU Varanasi with Diploma in Business and Finance-ICFAI. He joined GAIL in 1989 and has spent more than 3 decades at GAIL in various profiles. He has gained extensive exposure in operation & maintenance of natural gas installations, SCADA / Telecom, LNG Sourcing, Trading, Shipping, Marketing and Business Development activities covering Merger & Acquisition, Diversification, Renewables / Green Hydrogen, etc.

Presently as Director (Business Development), he is responsible for building GAIL's Business Portfolio in India and abroad, Merger and Acquisition, Petrochemical O&M and Expansion, Exploration & Production, Research & Development, Start–Up, Health Safety & Environment management, Quality Management and Project Development.

A few of his notable achievements have been marketing of US LNG to 6 fertiliser plants under long term contract, renegotiation of LNG sourcing contracts from Qatar and Russia, acquisition of JBF Petrochemical Limited, setting up of India's first Small Scale LNG project and acquisition of 26% stake in Japonica, an LNG vessel company.

2. **Shri Chiranjib Patra, Director (DIN 10984975)**:

Shri Chiranjib Patra is a Mining Engineer from IIEST Shibpur. He has experience of 34 years in the coal mining industry including experience as Mine Planning & Design Consultant.

His experience includes, working in underground coal mine, preparation & appraisal of Coal & Metal mining projects and R&D projects for subsidiaries of Coal India Limited (CIL), IISCO-SAIL, MOIL India Limited, etc., preparation of policy documents for CIL viz. model bid documents for development and extraction of coal from mines on risk-gain, hiring, turnkey & mine-developer-cum-operator (MDO) basis, support to Ministry of Coal (MoC) for allocation of coal blocks, vetting of Mining Plans & technical matters, working as a consultant to ECL, BCCL and SECL for undertaking CBM projects, implementation of pilot scale R&D project on underground Coal Gasification in Eastern Coalfields Limited.

He is presently holding the position of ED (Corporate Affairs & Business Development) at CIL as part of the Business Development Division. In in present profile, he is undertaking diversification initiatives in Coal-to-Chemical Projects, Acquisition of Critical Mineral Assets, Thermal Power Projects and Renewable Projects.

In addition to TFL, he is serving as Director on the Board of Hindustan Urvarak & Rasayan Limited and Rajasthan Akshay Urja Limited. He is holding one share in TFL.

3. **Shri Naresh Arya, Director (DIN 10627329)**:

Shri Naresh Arya is an Indian Cost Accounts Service Officer. Shri Arya is a Chartered Accountant and M.A. in Economics and is presently working as Director in Fertilizer Industry Coordination Committee (FICC) in the Department of Fertilizers, Ministry of Chemicals and Fertilizers, Govt. of India. He has also worked in the commercial wing of Comptroller & Auditor General of India (C&AG), Department of Expenditure, National Pharmaceutical Pricing Authority, Department of Personnel and Training and Department of Commerce. He possesses wide experience in Government accounts and finance, costing, trade remedy laws, audit, establishment etc.

Presently, he is 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). He is not holding any shares in Talcher Fertilizers Ltd.

4. **Smt. Jyoti V. Patil, Director (DIN 11528979)**:

Smt. Jyoti V. Patil is the Nominee Director of Rashtriya Chemicals and Fertilizers Limited (RCF) on the Board of Talcher Fertilizers Limited (TFL).

She holds a B.Tech. degree in Chemical Engineering and is a Silver Medalist. She joined RCF as a Management Trainee in 1990 and brings over 36 years of rich and diverse professional experience in the fertilizer and chemical industry.

Over the course of her distinguished career, she has held several key positions across Technical Services and operations, including DGM (Technical Services & Central Control Laboratory) and GM (SGP, Technical Services, Plant Health Services, Workshop, ETP, and Projects).

Currently, she serves as Executive Director (Projects, Corporate & Coordination) at RCF. In this role, she is responsible for overseeing major projects at Thal, including the NPK Plant, Phosphoric Acid Plant, Ammonia Energy Saving Project, Ultrafiltration in the Water Treatment Plant, HRSCC, and ETP Upgradation Phase II.

5. **Shri Vivek Srivastava, Managing Director (DIN 10131772):**

Shri Vivek Srivastava is a Chemical Engineer from Institute of Technology-Banaras Hindu University, Varanasi (Now known as IIT-BHU). He is also a qualified Safety professional (Advanced diploma in industrial safety) and Certified “Energy Auditor” by Bureau of Energy Efficiency (BEE). He is also a qualified “Internal Auditor” for ISO 9001: 2015, 14001: 2015, ISO 45001:2018 & ISO 50001:2018.

He joined Rashtriya Chemicals and Fertilizers Limited in December 1991 as Management Trainee and rose to the post of Chief General Manager in April-2025. In his long career spanning more than 33 years, he has worked in various capacities in Urea, Heavy Water Plant, Fire & Safety and NPK project.

His areas of expertise include large continuous chemical plant operations, Production planning, Raw material acquisition, Project activities, Energy Management, implementation of ISO standards, Co-ordinating with regulatory Authorities & external agencies, Process Safety Management, Safety Audits, Safety training and HAZOP. He does not hold any other Directorship. He does not hold any share in TFL.

6. **Shri Shyamal Roy, Director (Operation) (DIN 10304405):**

Shri Shyamal Roy has been appointed as Director (Operations) of TFL with effect from 15th September 2023. He is a Chemical Engineer from Jadavpur University, Kolkata as also Certified “Energy Manager” (EA 33662) by Bureau of Energy Efficiency. He has also done Master in Business Administration in Operation Research from IGNOU, New Delhi and a qualified Internal Auditor for ISO 9001: 2015, 14001: 2015, ISO 45001. Before taking over the charge of Director

(Operations), TFL, he was working as Chief Operations Officer (Upstream) of TFL looking after the construction of Coal Gasification Unit, Steam Generation Unit and Water Packages (RWTP/ DM & CPU/ ETP STP alongwith ZLD).

Earlier, he was working with GAIL (INDIA) Limited, Pata Plant located at Auraiya (UP), a Mega Petrochemical Complex having Polymer Production Capacity of 810 KTA and Liquid Hydrocarbon (LPG/ Propane/ Pentane/ Naphtha/ PFO/ BRP/ Propylene etc,) Production Capacity of 250 KTA.

He has more than 29 years of experience in Mega Petrochemical Plant operations particularly in Gas Cracker Unit, Technical Services Deptt., Integrated Offsite Plant & having wide exposure of carrying out mega turnaround of entire Petrochemical Complex.

He had successfully undertaken various initiatives under the caption of 'Waste to Wealth' by recovering & selling Slop Oil (a revenue earning) earlier that was eventually converted into Oily Sludge as Hazardous Waste being disposed to TSDF involving the substantial revenue expenditure.

He does not hold any other Directorship. He does not hold any share in TFL.

**7. Smt. Lakshmi Prabha Ambati, Director (Finance) (DIN - 09637525):**

Smt. Ambati Lakshmiprabha is a nominated Director (Finance), Talcher Fertilizers Limited (TFL) since 4th June 2022. She has diverse experience of 25 years of which last 13 years have been in Coal Industry incl. 7 years in implementation of first of its kind Coal Gasification based Ammonia Urea Plant in India. During the course of Project implementation, she has established fully functional Finance Department at Talcher Site, Odisha. She is associated with TFL from October 2018 and has played active role in achievement of the Financial closure of long-term debt on project finance basis for TFL Project from consortium of Lenders including negotiation of terms of sanction and Facility Agreement. 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 obtained Professional Diploma in Contract Management. She is not holding any shares in Talcher Fertilizers Ltd. She does not hold any other Directorship.

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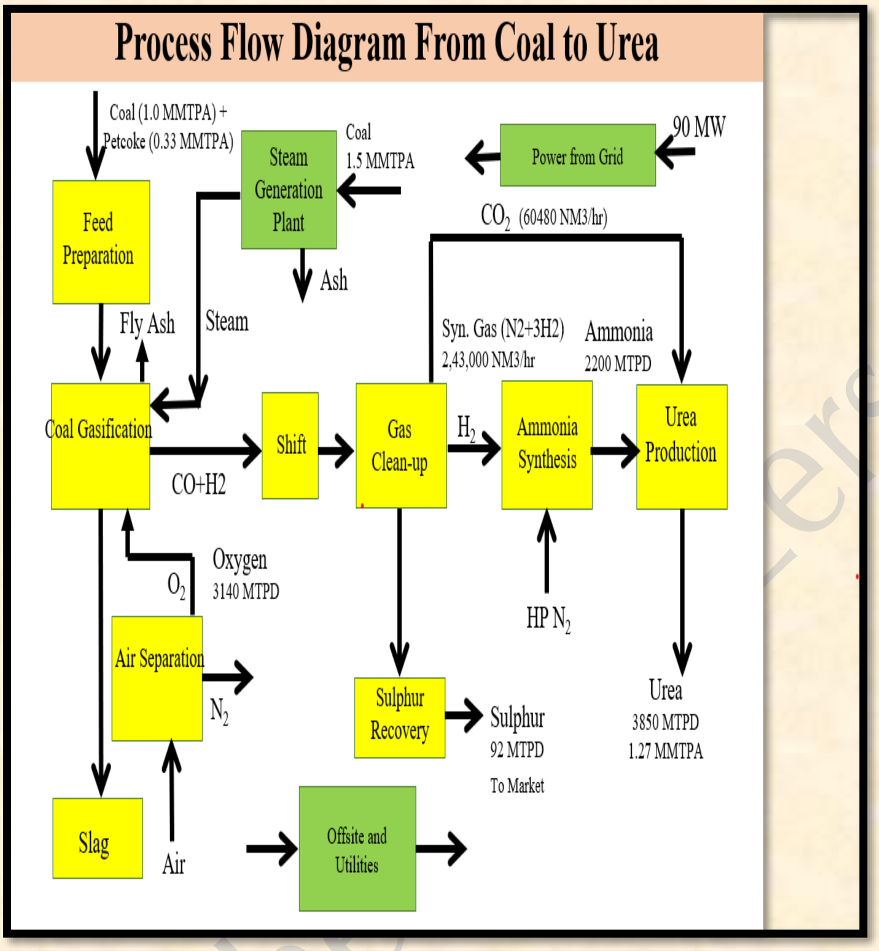
# BOARD'S REPORT FOR THE FY 2025-26

**Dear Members,**

Your Board of Directors takes great pleasure in presenting the 11th (Eleventh) Report on the performance of the Company ("the Company" or "TFL"), and its Audited Financial Statements for the Financial Year ended March 31, 2026, together with Reports of the Statutory Auditors and the Comptroller & Auditor General (C&AG) of India thereon.

## 1) PROJECT DETAILS




Talcher Fertilizers Limited (TFL), a Joint Venture Company promoted by GAIL (India) Limited, Coal India Limited (CIL), Rashtriya Chemicals and Fertilizers Limited (RCF) and Fertilizer Corporation of India Limited (FCIL), was incorporated on 13 November 2015 with the objective of reviving FCIL's Talcher Fertilizer Unit located in the Angul District of Odisha.

The Company is setting up a Coal Gasification-based Ammonia-Urea Fertilizer Complex with a planned urea production capacity of approximately **1.27 Million Metric Tonnes Per Annum (MMTPA)**. The project will utilize coal as the primary feedstock and is being implemented at an estimated project cost of **₹19,062.22 Crore (±10%)**.

Projects & Development India Limited (PDIL) has been engaged as the **Project Management Consultant (PMC)** for the project. The facility broadly comprises a **Coal Gasification Unit**, an **Ammonia Plant** with a design capacity of **2,200 MTPD** and a **Urea Plant** with a design capacity of **3,850 MTPD**, along with all associated off-site and utility facilities. Upon commissioning, the complex will produce approximately **1.27 MMTPA of neem-coated prilled urea** using coal as feedstock. The project is being financed through a combination of equity contributions from the shareholders and debt from financial institutions, with a Debt-Equity ratio of approximately **64.26:35.74**.

The plant is expected to consume about **2.5-3.0 MMTPA of coal** sourced from the Talcher Coalfields. To address the high ash content in coal, the design also provides for blending of up to **25% pet-coke**. A long-term coal linkage for the project was granted by the Ministry of Coal in **April 2023**.

The Company has awarded the **Coal Gasification Package** and the **Ammonia-Urea Package** to **M/s Wuhuan Engineering Co. Ltd., China**, on a **Lump Sum Turnkey (LSTK)** basis, and construction activities at the Talcher site are currently in progress. All critical project packages have been awarded.

The **Cabinet Committee on Economic Affairs (CCEA)**, in its meeting held on **20 April 2021**, approved a special concession/subsidy framework for urea produced through the coal gasification route by TFL. Under this framework, the subsidy shall be determined in a manner that provides a **12% Post-Tax Internal Rate of Return (IRR) on Equity**.

The project achieved **Financial Closure in September 2025**, securing debt financing of **₹12,250.06 Crore** through a consortium of lenders led by the **State Bank of India (SBI)** based on the approved Project Report. As of **31 March 2026**, TFL had committed approximately **₹4,76,671.54 Lakhs** towards various project activities.

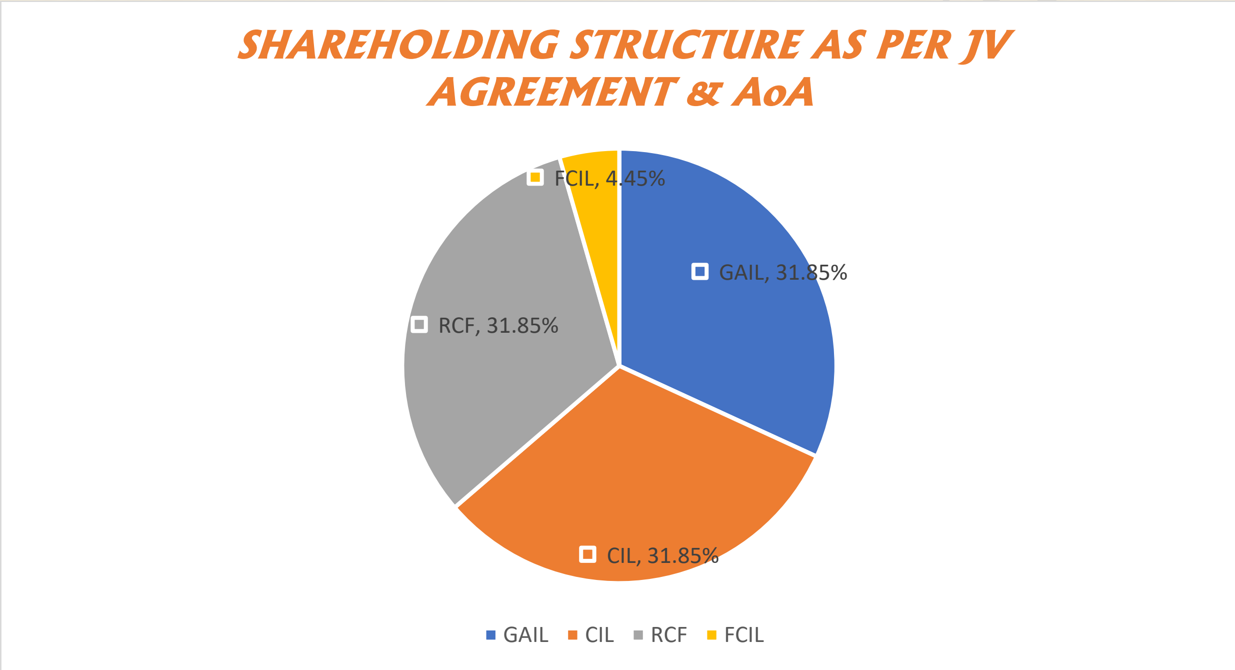
**2) FINANCIAL STATEMENT SUMMARY: -**

The Audited Financial Statement summary of the Company for the Financial Year ended on 31st March, 2026 is summarized below:

**(₹ in Lakhs)**

| **Particulars** | **2025-26** | **2024-25** |
|---|---|---|
| Total Income | 708.04 | 1288.28 |
| Total Cost before Depreciation and Tax | 1742.83 | 904.95 |
| Profit before Depreciation and Tax | (1034.79) | 383.33 |
| Depreciation/Impairment | 134.22 | 110.06 |
| **Profit/Loss before Tax** | (1169.01) | **273.27** |
| Provision for Tax (including deferred Tax liability / Assets) | **(2.49)** | 26.33 |
| **Net profit / loss** | **(1166.52)** | **246.94** |

**3) SHAREHOLDING STRUCTURE:**




**4) AWARDS & ACCOLADES:**

During FY 2025-26, the Company received the following prestigious awards and recognitions in acknowledgment of its commitment to safety excellence and implementation of best practices in Health, Safety and Environment (HSE) management:

| Sr. No. | Date and Place of Receipt of Award | Name of the Award | Department |
|---|---|---|---|
| 1. | 15-16, December 2025 Jaipur, Rajasthan. | Gold Award for Outstanding Achievements in Safety Excellence **conferred by the** Greentech Foundation **at the** 23rd Greentech Workplace Safety, Fire & Security Awards Summit 2025**.** | Fire & Safety Department |
| 2. | 11/01/2026 At Goa | **Gold Award in the "Construction Sector" Category** at the **2nd Annual Green Enviro Safety Award 2025**, organized by the **Enviro Green Foundation**, marking TFL's first safety award in the construction sector. | Fire & Safety Department |



**5) DIVIDEND**

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

**6) TRANSFER TO RESERVES**

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

**7) CAPITAL STRUCTURE**

The Authorized share capital of the Company as on March 31, 2026 stood at Rs. 75,00,00,00,000/- and the issued, subscribed and paid-up share capital stood at Rs. 54,41,45,93,080/-. There was no share subscription money pending allotment as on March 31, 2026. The entire share capital of the Company is held in the dematerialized mode.

**8) PROJECT COST & ITS FINANCING:**

As on March 31, 2026, the total revised project cost approved for implementation of the Company's Coal Gasification-based Ammonia-Urea Fertilizer Project stood at ₹19,062.22 crore. The approved project cost is proposed to be financed through a combination of debt of ₹12,250.06 crore and equity contribution of ₹6,812.16 crore, resulting in a debt-equity ratio of 64.26:35.74.

The financing structure has been designed to ensure adequate funding for timely execution and completion of the Project while maintaining an optimal capital structure.

## 9) LOANS AND CREDIT RATING:

As on March 31, 2026, the outstanding balance of the Company's Term Loans stood at ₹3,858.76 crore as compared to ₹4,240.22 crore as on March 31, 2025. No Interest-Free Loan from the Government of India was outstanding as on March 31, 2026.

The details of current and non-current borrowings, including secured loans, have been disclosed in Note No. 15 to the Financial Statements.

During FY 2025-26, CARE Ratings Limited reaffirmed/assigned a credit rating of 'CARE BBB+; Stable' to the Company's term loan facilities aggregating ₹12,250.06 crore. The rating reflects the Company's financial position, project profile, and overall creditworthiness, and indicates a stable outlook on its debt-servicing capability.

## 10) MANAGEMENT

### a) Board of Directors & Key Managerial Personnel: –

Talcher Fertilizers Limited (TFL) is a Joint Venture Company promoted by GAIL (India) Limited, Coal India Limited (CIL), Rashtriya Chemicals and Fertilizers Limited (RCF) and Fertilizer Corporation of India Limited (FCIL). The appointment of Directors and any changes in the composition of the Board are made by the respective Promoter Companies in accordance with the provisions of the Joint Venture Agreement, Articles of Association of the Company and applicable provisions of the Companies Act, 2013. The Key Managerial Personnel (KMP) are appointed in compliance with the applicable provisions of the Companies Act, 2013 and are responsible for the management and administration of the affairs of the Company.

**(i) Composition of Board of Directors & Key Managerial Personnel as on 31.03.2026:**

| Sr. No. | DIN/PAN | Name of Director & KMP | Nominated By | Designation |
|---|---|---|---|---|
| 1 | 09230386 | Shri Rajeev Kumar Singhal | GAIL | Chairman |
| 2 | 10984975 | Shri Chiranjib Patra | CIL | Nominee Director |
| 3 | 10627329 | Shri Naresh Arya | FCIL | Nominee Director |
| 4 | 11528979 | Smt. Jyoti V. Patil | RCF | Nominee Director |
| 5 | 10131772 | Shri Vivek Srivastava | RCF | Managing Director |
| 6 | 10304405 | Shri Shyamal Roy | GAIL | Director (Operation) |
| 7 | 09637525 | Smt. Lakshmi Prabha Ambati | CIL | Director (Finance) & CFO |
| 8 | AVKPJ5803B | Shri Dinesh Singh Jhala | - | Company Secretary |

**(ii) During and after period under review, the following changes took place in the Board of Directors & KMP of the Company:**

| Sr. No. | DIN | Name of Director & KMP | Designation | Date of Appoint-ment | Date of Cessation |
|---|---|---|---|---|---|
| 1. | 09503339 | Shri Deepak Gupta | Chairman | - | 28-02-2026 |

| | | | | | |
|---|---|---|---|---|---|
| 2. | 09230386 | Shri Rajeev Kumar Singhal | Chairman | 01-03-2026 | - |
| 3. | 09802970 | Shri G. Seshadri | Director | - | 31-01-2026 |
| 4. | 11528979 | Smt. Jyoti V. Patil | Director | 01-02-2026 | - |
| 5. | AMOPT1500A | Shri Rahul Kr. Tiwari | Company Secretary | - | 11-11-2025 |
| 6. | AVKPJ5803B | Shri Dinesh Singh Jhala | Company Secretary | 19-02-2026 | - |

**b) Declarations by Independent Directors: -**

During the year under review, the Company did not have any Independent Directors on its Board who were required to submit declarations regarding their independence or compliance with the Code of Conduct for Independent Directors, as prescribed under Schedule-IV of the Companies Act, 2013 and the rules framed thereunder.

The Ministry of Corporate Affairs, vide Notification No. G.S.R. 839(E) dated July 5, 2017, notified the Companies (Appointment and Qualification of Directors) Amendment Rules, 2017. Under this notification, unlisted public companies classified as 'Joint Ventures' are exempted from the requirement to appoint Independent Directors as stipulated under Section 149(4) of the Companies Act, 2013.

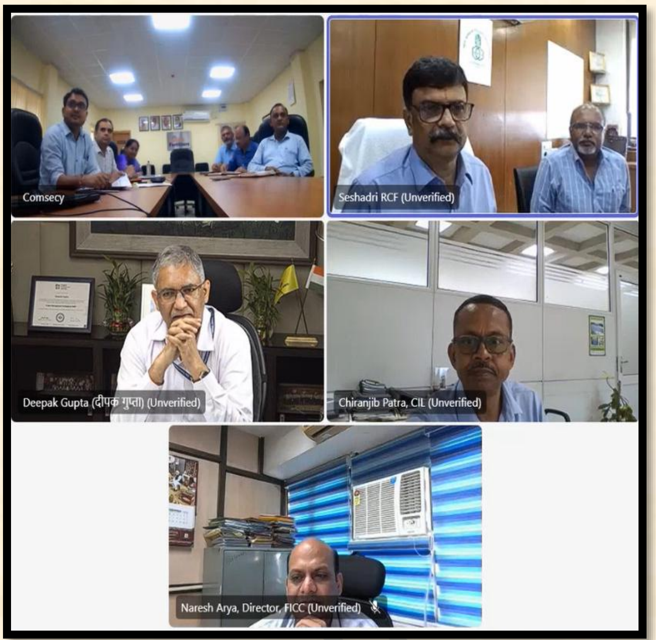
In accordance with the above exemption, the Company is not mandated to appoint Independent Directors on its Board.

**c) Number of Meetings of the Board of Directors**

During the year under review, the Board of Directors convened **fourteen (14)** meetings to deliberate and transact the business affairs of the Company. The details of these meetings are as follows:

*Physical Board Meeting at GAIL Corporate Office, New Delhi*

| Sr. No. | Particulars Board Meeting | Date of Board Meeting |
|---|---|---|
| 1 | 108th Board Meeting | 08-04-2025 |
| 2 | 109th Board Meeting | 02-05-2025 |
| 3 | 110th Board Meeting | 19-05-2025 |
| 4 | 111th Board Meeting | 29-05-2025 |
| 5 | 112th Board Meeting | 18-06-2025 |
| 6 | 113th Board Meeting | 27-06-2025 |
| 7 | 114th Board Meeting | 11-07-2025 |
| 8 | 115th Board Meeting | 29-07-2025 |
| 9 | 116th Board Meeting | 12-09-2025 |
| 10 | 117th Board Meeting | 25-09-2025 |
| 11 | 118th Board Meeting | 11-12-2025 |
| 12 | 119th Board Meeting | 19-01-2026 |
| 13 | 120th Board Meeting | 19-02-2026 |
| 14 | 121st Board Meeting | 17-03-2026 |




*Board Meeting through Video Conferencing*

## d) Committees of the Board

To ensure more effective oversight and focused attention on specific areas of the Company's operations, the Board of Directors has constituted various Committees. These Committees, comprising selected members of the Board, are tasked with detailed review and analysis of key matters, thereby facilitating informed decision-making at the Board level. The composition and scope of these Committees, as on 31st March, 2026 are outlined below:

### (i) Audit Committee:

| Sr. No. | Members as on 31/03/2026 | Members as on date of Report | Designation |
|---|---|---|---|
| 1 | Smt. Jyoti V. Patil* | Smt. Jyoti V. Patil | Chairperson |
| 2 | Shri Naresh Arya | Shri Naresh Arya | Member |
| 3 | Smt. Lakshmi Prabha Ambati | Smt. Lakshmi Prabha Ambati | Member |

** Smt. Jyoti V. Patil, Nominee Director of the Company, was appointed as Chairperson of the Audit Committee with effect from 01.02.2026, in place of Shri G. Seshadri, who ceased to be the Chairperson with effect from 31.01.2026 consequent upon his superannuation from service and resignation from the office of Director of the Company.*

During the financial year 2025-26, the Audit Committee convened ten (10) meetings, as detailed below:

| Sr. No. | Audit Committee Meeting Particulars | Date of Meeting |
|---|---|---|
| 1 | 26th Audit Committee meeting | 08-04-2025 |
| 2 | 27th Audit Committee meeting | 24-04-2025 |
| 3 | 28th Audit Committee meeting | 05-05-2025 |
| 4 | 29th Audit Committee meeting | 18-06-2025 |
| 5 | 30th Audit Committee meeting | 27-06-2025 |
| 6 | 31st Audit Committee meeting | 04-07-2025 |
| 7 | 32nd Audit Committee meeting | 01-09-2025 |

| | | |
|---|---|---|
| 8 | 33rd Audit Committee meeting | 24-10-2025 |
| 9 | 34th Audit Committee meeting | 07-01-2026 |
| 10 | 35th Audit Committee meeting | 24-02-2026 |

**(ii) Nomination & Remuneration Committee:**

| Sr. No. | Members as on 31/03/2026 | Members as on date of Report | Designation |
|---|---|---|---|
| 1 | Shri Chiranjib Patra | Shri Chiranjib Patra | Chairperson |
| 2 | Shri Vivek Srivastava | Shri Vivek Srivastava | Member |
| 3 | Shri Shyamal Roy | Shri Shyamal Roy | Member |

During the financial year 2025-26, the Nomination & Remuneration Committee (NRC) convened four (4) meeting, as detailed below:

| Sr. No. | Particulars | Date of Meeting |
|---|---|---|
| 1 | 15th Nomination & Remuneration Committee | 30/05/2025 |
| 2 | 16th Nomination & Remuneration Committee | 29/07/2025 |
| 3 | 17th Nomination & Remuneration Committee | 11/09/2025 |
| 4 | 18th Nomination & Remuneration Committee | 05/02/2026 |

**11) PUBLIC DEPOSITS**

During the year under review, your Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013.

**12) CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There was no change in the nature of the Company's business during the financial year ending 31st March, 2026.

**13) SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE**

During the year under review, TFL has no subsidiary, associates and Joint Ventures Companies as on March 31, 2026.

**14) MATERIAL CHANGES AND COMMITMENTS IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED AT THE END OF THE FINANCIAL YEAR DATED 31ST MARCH, 2026 AND THE DATE OF THE REPORT:**

Except as otherwise disclosed in this Report, no material changes or commitments have occurred between the end of the financial year on 31st March, 2026 and the date of this Report, which would affect the financial position of the Company.

**15) RISK MANAGEMENT AND INTERNAL ADEQUACY**

TFL Board in its 111th Board Meeting dated May 29, 2025 approved the Enterprise Risk Management (ERM) Policy and ERM Framework of the Company. This Policy has been developed to promote risk management within the Company, with an aim to achieve its strategic objectives, by recognizing the risks that may impact the Company, and minimizing the adverse consequences arising from their occurrence. The policy supports the Company's endeavour to design, implement, monitor, review, and continually improve its risk management practices.

16) **REPORTING OF FRAUDS**

During the year under review, neither the Independent Auditor nor the Secretarial Auditor reported any instances of fraud committed by the Company, its officers or employees to the Audit Committee under Section 143(12) of the Companies Act, 2013. Consequently, no such details are required to be disclosed in the Board's Report.

17) **FRAUD PREVENTION POLICY AND WHISTLE BLOWER POLICY:**

Based on the recommendation of the Audit Committee, the Board of Directors of Talcher Fertilizers Limited (TFL) approved the Fraud Prevention Policy and Whistle Blower Policy during FY 2022-23. The said policies have been uploaded on the Company's website for information and compliance by all concerned.

18) **PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS**

Section 134(3)(p) of the Companies Act, 2013 requires disclosure of the manner in which the formal annual evaluation of the performance of the Board, its Committees and individual Directors has been carried out.

However, all the Directors on the Board of the Company are Nominee Directors appointed by the respective Joint Venture Partners. Accordingly, the provisions relating to performance evaluation of the Board, its Committees and individual Directors were not applicable to the Company during the year under review.

19) **STATUTORY AUDITORS**

The Comptroller and Auditor General (C&AG) of India, vide their letter no. CA. V/ COY/CENTRAL GOVERNMENT,TALFL(1)/1667 dated 12/09/2025 reappointed M/s. Pratyush & Associates, Chartered Accountants, Bhubaneswar as the Statutory Auditors of the Company for the financial year 2025-26, in accordance with the provisions of the Companies Act, 2013.

20) **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

During the year under review, none of the employees of the Company was in receipt of remuneration exceeding the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Accordingly, the disclosures required under the said Rule are not applicable to the Company.

21) **REGISTRAR AND TRANSFER AGENT:**

The Company has appointed NSDL Database Management Limited (NDML) as its Registrar and Transfer Agent (RTA) for providing registry and related services to the Company.

The details of the Registrar and Transfer Agent are as follows:

**NSDL Database Management Limited**

**RTA Division**

**4th Floor, Trade World, A Wing,**

**Kamala Mills Compound, Senapati Bapat Marg,**

**Lower Parel, Mumbai – 400 013.**

**22) DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT.**

Pursuant to Section 138(1) of the Companies Act, 2013, M/s Chatterjee Gazi & Associates, Cost Accountants, were appointed as the Internal Auditors of the Company for the financial year 2025–26.

During the year, the scope of the internal audit was expanded to cover key functional areas, including bid processing, contract management, and payment processing to various agencies, in accordance with the respective contractual terms and conditions.

Based on the internal audit reviews and assessments carried out during the year, the existing internal financial control systems of the Company are considered adequate and commensurate with the size, scale and nature of its operations.

**23) DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the year under review, no significant or material orders were passed by any regulators, courts or tribunals that would impact the going concern status or future operations of the Company.

**24) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 (1)**

During the Financial Year, all RPTs were on arm's length basis and in the ordinary course of business. Therefore, there is no RPT which required approval of the Board / Shareholders under Section 188(1) of the Companies Act, 2013. As such, no RPTs need to be reported in e-Form AOC-2, in terms of Section 134(3)(h) read with Section 188 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

None of the Directors had any pecuniary relationship or transactions with the Company, except to the extent disclosed in the Financial Statements.

The details of transactions entered into with related parties during the year are provided below:

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

**(Rs. in Lakh)**

| Sr. No. | Name of related party | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|---|
| 1 | Coal India Limited | 317.72 | 269.78 |
| 2 | GAIL India Limited | 699.77 | 729.95 |
| 3 | Rashtriya Chemicals and Fertilizers Limited | 545.40 | 530.12 |

b) Cost of Rent and electricity for office space

**(Rs. in Lakh)**

| Sr. No. | Name of related party | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|---|
| 1 | GAIL India Limited | 0.00 | 8.15 |

| | | | |
|---|---|---|---|
| 2 | Rashtriya Chemicals and Fertilizers Limited | 2.17 | 2.25 |
| 3 | Fertilizers Corporation of India Limited (Lease Rent) | 1.00 | 4.00 |

c) Other Expenses

**(Rs. in Lakh)**

| Sr. No. | Name of related party | Year ended 31.03.2026 | Year ended 31.03.2025 |
|---|---|---|---|
| 1 | Coal India Limited | 0.00 | 0.00 |
| 2 | Rashtriya Chemicals and Fertilizers Limited | 0.00 | 4.10 |

**25) CORPORATE SOCIAL RESPONSIBILITY**

The Company is presently in the project implementation stage and has not commenced commercial operations. During FY 2025-26, the Company did not generate any operational turnover or profit.

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder, the CSR obligation of the Company for FY 2025-26 did not exceed the threshold specified under Section 135(9) of the Act. Accordingly, the Company was not required to constitute a Corporate Social Responsibility (CSR) Committee during the year under review and the functions of such Committee, wherever applicable, were discharged by the Board of Directors.

The Annual Report on CSR Activities in the prescribed format forms part of this Report and is enclosed as ***Annexure-A***.

**26) CORPORATE GOVERNANCE REPORT:**

The Company has complied with the applicable provisions of the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises (DPE), Government of India, during FY 2025-26.

A certificate confirming compliance with the applicable Corporate Governance requirements, issued by a Practising Company Secretary, is enclosed as ***Annexure-B*** to this Report.

**27) SECRETARIAL AUDITORS**

"**M/s. Arun Kumar Maitra & Co., Kolkata** Practicing Company Secretaries", were re-appointed to conduct the Secretarial Audit of the Company for the financial year 2025-26, in accordance with Section 204 of the Companies Act, 2013 and the rules framed thereunder.

The Secretarial Audit Report in Form MR-3 does not contain any qualification, reservation or adverse remarks. The Secretarial Audit Report for the Financial Year 2025-26 is annexed to this Report as ***Annexure-C***.

**28) AUDITORS REPORT AND C&AG REPORT**

**(i) STATUTORY AUDITORS REPORT**

The Independent Auditors Report do not contain any qualification. The notes to the accounts referred to in the Independent Auditors' Report are self-explanatory and therefore do not call for any further comments from Directors.

**(ii) COMPTROLLER AND AUDITOR GENERAL OF INDIA (C&AG) REPORT**

The Comptroller and Auditor General (C&AG) of India, vide their letter no. 1443-P.D.A.C.E (A.F.W.R)/AMG-I/A/cs/TFL/2025-26/2212 dated 20.07.2026, has issued a **NIL Comment Certificate**, which is enclosed as ***Annexure-D***.

**29) COMPLIANCE WITH PROVISIONS OF SECRETARIAL STANDARDS ISSUED BY ICSI**

The Board of Directors hereby confirms that the Company has complied with the provisions of **Secretarial Standard-1 (Board Meetings)** and **Secretarial Standard-2 (General Meetings)** issued by the Institute of Company Secretaries of India (ICSI) and notified by the Ministry of Corporate Affairs (MCA) under Section 118(10) of the Companies Act, 2013, in respect of all Board and General Meetings held during the financial year 2025-26.

**30) ANNUAL RETURN**

Pursuant to Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the **Annual Return of the Company as on 31st March, 2026** is available on the Company's website at https://tflonline.co.in/finance

**31) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows: -

**A. Conservation of Energy: -**

| | | |
|---|---|---|
| i. | The steps taken or impact on conservation of energy: | Nil |
| ii. | The steps taken by the company for utilizing alternate sources of energy: | Nil |
| iii. | The capital investment on energy conservation equipment's: | Nil |

**B. Technology absorption: -**

| | | |
|---|---|---|
| i. | The efforts made towards technology Absorption: | Nil |
| ii. | The benefits derived like product Improvement, cost reduction, Product development or import substitution: | Nil |
| iii. | In case of imported technology (Imported during the last three years reckoned from the beginning of the financial year)<br>B. Details of technology imported.<br>C. The year of import.<br>D. Whether the technology has been fully absorbed.<br>E. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; | Nil |
| iv. | The expenditure incurred on Research and Development: | Nil |

**C. Foreign exchange earnings and outgo:**

| | | |
|---|---|---|
| i. | The foreign exchange earned in terms of actual Inflows during the year: | Nil |
| ii. | The foreign exchange outgo during the year in terms of actual outflows: | ₹460.89 crore |

**32) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186.**

During the year under review, the Company has not granted any loans, provided any guarantees or made any investments covered under the provisions of **Section 186 of the Companies Act, 2013**. Accordingly, the particulars required to be disclosed under the said Section are **Nil**.

**33) DIRECTORS' RESPONSIBILITY STATEMENT**

In pursuance to clause (c) of sub-section (3) of section 134 of the Companies Act, 2013 it is stated that: -

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

(b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

(d) The Directors had prepared the annual accounts on a going concern basis; and

(e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**34) TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

During the year under review, there were no amounts required to be transferred to the Investor Education and Protection Fund (IEPF) in accordance with the provisions of the Companies Act, 2013.

**35) 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. Confirmation to this effect was sent to District Collector, Angul. The Company has constituted an internal Committee for prevention of Sexual Harassment of Women at Workplace.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 with respect to FY 2025-26 is as under:

| | | |
|---|---|---|
| 1. | Number of complaints pending at the beginning of the financial year | NIL |
| 2. | Number of complaints filed during the financial year | NIL |
| 3. | Number of complaints "disposed of" during the financial year | NIL |
| 4. | Number of cases pending for more than ninety days | NIL |
| 5. | Number of complaints pending at the end of the financial year | NIL |

## 36) MATERNITY BENEFIT ACT:

The Company has complied with all applicable provisions of the **Maternity Benefit Act, 1961**, to the extent applicable to the Company.

## 37) HR INITIATIVE

As part of its employee welfare initiatives, Talcher Fertilizers Limited (TFL) commenced its dedicated employee bus service, inaugurated by the Director (Operations). The initiative aims to provide safe, comfortable, and convenient transportation to employees, thereby enhancing workplace accessibility and supporting employee well-being.

## 38) HEALTH SAFETY & ENVIRONMENT

The Fire & Safety Department continued to strengthen the Company's Health, Safety and Environment (HSE) framework during FY 2025-26 through various initiatives aimed at promoting a safe and compliant work environment across the project site.

During the year, Talcher Fertilizers Limited (TFL) received two prestigious recognitions for safety excellence, namely the **Gold Award for Outstanding Achievements in Safety Excellence** at the 23rd Greentech Workplace Safety, Fire & Security Awards Summit 2025 and the **Gold Award in the Construction Sector Category** at the 2nd Annual Green Enviro Safety Award 2025.


The Company approved and implemented the **TFL Safety Manual**, obtained the **Preliminary Fire NOC** from the State Government, and introduced key safety procedures including the **Road Safety SOP** and **Work Permit System**. Regular Monthly HSE Meetings and Quarterly Central Safety Committee Meetings were conducted to review and strengthen safety performance.

The Department ensured compliance with statutory safety requirements, conducted the first Internal Safety Audit of the TFL Project, organized regular safety walk-throughs and mock drills, and actively participated in off-site emergency response exercises as a member of the Mutual Aid Group.

Several safety awareness and capacity-building initiatives were undertaken during the year, including fire drills, defensive driving training, National Safety Week and Road Safety Week programmes, PPE demonstrations, and HSE coordination meetings with contractors. The procurement of advanced safety equipment and underground utility detection systems further enhanced site safety and reduced excavation-related incidents.

These initiatives reflect the Company's continued commitment to maintaining the highest standards of workplace safety and operational excellence.

## 39) RIGHT TO INFORMATION ACT

The Company has established an effective mechanism for compliance with the provisions of the Right to Information Act, 2005. In accordance with the requirements of the Act, updated information, including the details of the Appellate Authority, Central Public Information Officer (CPIO), and Assistant Public Information Officers (APIOs), is hosted on the Company's website. All RTI applications received during the year were processed and responded to within the prescribed timelines.

During the Financial Year 2025-26, the Company received five (05) RTI applications, all of which were duly disposed of.

## 40) GENERAL MEETING

The details of the general meetings conducted during the FY 2025-26 are as under.

| Particulars | 09th Extra-Ordinary General Meeting (EGM) | 10th Annual General Meeting (AGM) |
|---|---|---|
| Date & Time | Thursday, 19.06.2025, 2.45 P.M. | Friday, 26.09.2025, 10.35 A.M. |
| Venue | Administrative Building, Talcher Fertilizers Limited, Talcher, P.O. Vikrampur, Distt. – Angul, Odisha – 759106 through Video Conferencing (VC) or other Audio-Visual Means (OAVM). | Administrative Building, Talcher Fertilizers Limited, Talcher, P.O. Vikrampur, Distt. – Angul, Odisha – 759106 through Video Conferencing (VC) or other Audio-Visual Means (OAVM). |
| Special Resolution passed (nos.) | Three (3) Special Resolution was passed,<br>(1) To amend Article 4(1) (a) of the Articles of Association of the Company.<br>(2) To increase the borrowing powers of the Company.<br>(3) To create security on the properties of the Company, both present and future, in favour of lenders. | One (1) Special Resolution was passed,<br>(1) Conversion of Loan into equity in terms of Facility Agreement to Lenders. |

## 41) COST AUDITORS

During FY 2025-26, the provisions of the Companies Act, 2013 relating to the maintenance of cost records and appointment of Cost Auditors were **not applicable to the Company**. Accordingly, the Company was neither required to maintain cost records nor appoint a Cost Auditor for the financial year under review.

## 42) CREDIT RATING OF SECURITIES

The company has no listed securities and is therefore not required to obtain a credit rating in respect of securities. The rating disclosed at para 9 relate to the company's bank facilities.

**43) PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:**

No application has been filed or is pending against the Company under the Insolvency and Bankruptcy Code, 2016 (IBC) during the year under review. Accordingly, the disclosure of details relating to any such application or proceedings, along with their status as at the end of the financial year, is not applicable.

**44) ACKNOWLEDGEMENTS**

The Board of Directors of the Company places on record its sincere appreciation for the dedication, commitment and valuable contributions made by the employees of the Company during the year under review. The Board also gratefully acknowledges the continued cooperation, support and guidance received from the Ministry of Chemicals & Fertilizers, Ministry of Petroleum & Natural Gas, Ministry of Coal, Ministry of Finance, Government of Odisha and the Promoter Companies.

The Board further expresses its sincere gratitude to the consortium of lenders led by the State Bank of India and other banks and financial institutions for their valuable support, trust and cooperation during the year. The Board also places on record its appreciation for the valuable assistance, guidance and support extended by the Statutory Auditors, the Comptroller and Auditor General of India (C&AG), the Secretarial Auditor and the Internal Auditor during the year under review.

The Directors further express their heartfelt thanks to the shareholders for their unwavering support, trust and confidence in the management of the Company. The Board remains committed to creating long-term value for all stakeholders and looks forward to their continued support in the years ahead.

**For and on behalf of the Board of Directors of**
**Talcher Fertilizers Limited**

**Sd/-**
**(SHYAMAL ROY)**
**DIRECTOR (OPERATION)**
**DIN: 10304405**

**Sd/-**
**(VIVEK SRIVASTAVA)**
**MANAGING DIRECTOR**
**DIN: 10131772**

**Sd/-**
**(AMBATI LAKSHMI PRABHA)**
**DIRECTOR (FINANCE)**
**DIN: 09637525**

**DATE:16-09-2026**
**PLACE: TALCHER**

*ANNEXURE-A*

## ANNUAL REPORT ON CSR ACTIVITIES FOR THE YEAR 2025-26

**1) Brief outline on CSR Policy of the Company:**

Talcher Fertilizers Limited ("TFL") is committed to conducting its business in a socially responsible, ethical and environmentally sustainable manner. The Company recognizes the importance of contributing towards the welfare and development of society and remains guided by the principles of sustainable and inclusive growth.

The Corporate Social Responsibility ("CSR") framework of the Company is governed by the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

The Company is presently in the project implementation stage and has not commenced commercial operations. During FY 2025-26, the Company did not generate any operational turnover or profit. Consequently, the CSR obligation of the Company for the financial year under review did not exceed the threshold prescribed under Section 135(9) of the Companies Act, 2013. Accordingly, the Company was not required to constitute a CSR Committee or undertake CSR expenditure during the year under review and the functions of such Committee, wherever applicable, were discharged by the Board of Directors.

**2) The Composition of CSR Committee as on 31.03.2026:**

| |
|---|
| -Not Applicable for the FY 2025-26- |

In view of the provisions of Section 135(9) of the Companies Act, 2013, the Company was not required to constitute a CSR Committee during FY 2025-26.

**3) Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.**

| |
|---|
| -Not Applicable for the FY 2025-26- |

**4) Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.**

| |
|---|
| -Not Applicable for the FY 2025-26- |

**5)**

| | | |
|---|---|---|
| **(a)** | **Average net profit of the Company as per sub-section (5) of section 135:** | Nil |
| **(b)** | **Two percent of average net profit of the Company as per sub-section (5) of section 135:** | Nil |
| **(c)** | **Surplus arising out of the CSR projects or programs or activities of the previous Financial Years:** | Nil |

| | | |
|---|---|---|
| (d) | Amount required to be set off for the Financial Year, if any: | Nil |
| (e) | Total CSR obligation for the Financial Year [(b)+(c)-(d)]: | Nil |

6)

| | | |
|---|---|---|
| (a) | Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): | Nil |
| (b) | Amount spent in Administrative Overheads: | Nil |
| (c) | Amount spent on Impact Assessment, if applicable: | Nil |
| (d) | Total amount spent for the Financial Year [(a)+(b)+(C)] | Nil |
| (e) | CSR amount spent or unspent for the Financial Year: | |

| Total Amount Spent for the Financial Year (in ₹) | Amount Unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135. | | Amount Transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135. | | |
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of Transfer |
| Nil | Nil | Nil | Nil | Nil | Nil |

| (f) | Excess amount for set-off, if any: | |
|---|---|---|
| **Sl. No.** | **Particular** | **Amount (in ₹)** |
| (1) | (2) | (3) |
| (i) | Two percent of average net profit of the Company as per sub-section (5) of section 135 | Nil |
| (ii) | Total amount spent for the Financial Year | Nil |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | Nil |
| (iv) | Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any | Nil |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | Nil |

7) Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| 1 | 2 | 3 | 4 | 5 | 6 | | 7 | 8 |
|---|---|---|---|---|---|---|---|---|
| Sr No | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹) | Amount Spent in the Financial Year (in ₹) | Amount transferred to a Fund specified under schedule VII as per second proviso to sub-section (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in ₹) | Deficiency, if any |
| | | | | | Amount (in ₹) | Date of Transfer | | |
| 1 | 2024-25 | - | - | - | - | - | - | - |
| 2 | 2023-24 | - | - | - | - | - | - | - |
| 3 | 2022-23 | - | - | - | - | - | - | - |

**8) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

Yes ◯ No ✓

If Yes, enter the number of Capital assets created/ acquired: NIL

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sr. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or assets(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | | |
| | | | | | CSR Registration Number, if applicable | Name | Registered Address |
| - | - | - | - | - | - | - | - |

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal office/ Municipal Corporation / Gram Panchayat are to be specified and also the area of the immovable property as well as boundaries)

**9) Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub-section (5) of section 135.**

-Not Applicable for the FY 2025-26-

**For and on behalf of the Board of Directors of**
**Talcher Fertilizers Limited**

**Sd/-**
**(SHYAMAL ROY)**
**DIRECTOR (OPERATION)**
**DIN: 10304405**

**Sd/-**
**(VIVEK SRIVASTAVA)**
**MANAGING DIRECTOR**
**DIN: 10131772**

**Sd/-**
**(AMBATI LAKSHMI PRABHA)**
**DIRECTOR (FINANCE)**
**DIN: 09637525**

**DATE: 16-09-2026**
**PLACE: TALCHER**

ARUN KUMAR MAITRA & CO.
Practicing Company Secretaries
6/1, Merlin Park, Ballygunge Phari
Kolkata-700019
Email ID: akmaitra83@gmail.com
(Mobile No.) 8420975192
ICSI Unique CodeP2015WB086500
Peer Review Certificate No.
1504/2021 Dated 24th September,2021

# 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, 2026.

B. The compliance of corporate governance norms and procedures is the responsibility of the Management. Our responsibility is to express an opinion on these compliances based on our independent audit. We conducted our audit in accordance with the applicable Auditing Standards issued by the Institute of Company Secretaries of India (ICSI).

C. The Company has established an internal mechanism for reviewing compliance with applicable laws. An elaborate system is in place for the management of currency and interest rate risks relating to foreign loans, and progressive steps have been taken to align the risk management framework with corporate and operational objectives.

ARUN KUMAR MAITRA & CO. KOLKATA ★Practicing Company Secretaries★

D. In our opinion and to the best of our information and according to the explanations, records, and management representations given to us during the

ARUN KUMAR MAITRA & CO.
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course of the audit, we certify that the Company has complied with the applicable corporate governance norms and procedures during the period under review:

E. We further state that our certificate 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 **Arun Kumar Maitra & Co.**

**Practicing Company Secretaries**

Arun Kumar Maitra
Partner
ACS: 3010; C.P. No.: 14490
UDIN: A003010H000765411
Date:7th July,2026
Place: Kolkata

ARUN KUMAR MAITRA & CO. KOLKATA Practicing Company Secretaries

ARUN KUMAR MAITRA & CO.
Practicing Company Secretaries
6/1, Merlin Park, Ballygunge Phari
Kolkata-700019
(M)8420975192
Mail Id: akmaitra03@gmail.com
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Peer Review Certificate
No. 1504/2021 Dated 24th September,2021

## Form No. MR - 3

## SECRETARIAL AUDIT REPORT

## (FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026)

**[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 Bhubneswar, Khordha,
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, 2026, 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

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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 to it:
   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 (Depositories and Participants) Regulations, 2018 and rules made thereunder;
   d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
   e. The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirement) Regulations, 2018;
   f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
   g. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;
   h. The Securities and Exchange Board of India (Share-based Employee Benefits and Sweat Equity) Regulations, 2021;
   i. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; Since the shares of the company have been dematerialized, the Company has appointed NSDL as Depository and NSDL Database Management Ltd as its RTA. Hence, the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients are applicable to it.
6. The Company has not yet started commercial production. Accordingly, no Specific Laws are applicable to it.
7. We have also examined compliance with the applicable clauses/ regulations of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises

During the period under review, all the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above have been duly complied with.

**Management Responsibility:**

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

ARUN KUMAR MAITRA & CO. KOLKATA Practicing Company Secretaries

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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 the 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 regulations and the happening of events etc.
5. The compliance with the provisions of Corporate and other applicable laws, rules, regulations, and standards is the responsibility of management. Our examination was limited to the verification of the 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.

**We further report that:**

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

Adequate notice is given to all directors to schedule the Board Meetings, an agenda and detailed notes on the 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.

Decisions 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 following specific activities took place in the Company having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.:

## I. Extraordinary General Meeting (Held on June 19, 2025)

The members approved the following Special Businesses via Ordinary and Special Resolutions:

ARUN KUMAR MAITRA & CO. * Practicing Company Secretaries * KOLKATA

**ARUN KUMAR MAITRA & CO.**
**Practicing Company Secretaries**
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**Kolkata-700019**
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**ICSI Unique CodeP2015WB086500**
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**No. 1504/2021 Dated 24th September,2021**

| **Resolution Type** | **Business Item Description** |
|---|---|
| **Ordinary** | Increase in Authorized Share Capital of the Company from Rs. 4,200 Crore to Rs. 7,500 Crore. |
| **Ordinary** | Amendment of Clause 5 of the Memorandum of Association (MoA) to reflect the increased Authorised Share Capital. |
| **Special** | Substitution of Article 4(1)(a) of the Articles of Association (AoA) to read: *"The Authorized Share Capital of the Company shall be Rs. 75,00,00,00,000/- (Rupees Seven Thousand Five Hundred Crore Only) divided into 7,50,00,00,000 Equity Shares of Rs. 10/- each."* |
| **Special** | Increase in the borrowing powers of the Company subject to an overall ceiling limit of Rs. 15,000 Crore. |
| **Special** | Creation of security/charge on the properties of the Company, both present and future, in favor of lenders. |
| **Special** | Approval for the conversion of Loan into equity in terms of the Facility Agreement with Lenders, in case of payment default by the Company. |

ARUN KUMAR MAITRA & CO. KOLKATA Practising Company Secretaries

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For Arun Kumar Maitra & Co.
Practising Company Secretaries

Arun Kumar Maitra
Partner
ACS: 3010; C.P. No.: 14490
UDIN: A003010G000801577
Date: 7th July,2026
Place: Kolkata

ARUN KUMAR MAITRA & CO. KOLKATA Practicing Company Secretaries

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## 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 (2023-24);

1.3 Audited Annual Accounts (2025-26)

1.3 Agenda papers for Board and Committee Meetings along with Notices;

1.4 Memorandum and Articles of Association;

1.5 Disclosures under the Companies Act, 2013;

1.6 Policies framed under the Companies Act, 2013;

1.7 Forms and Returns filed with the ROC;

1.8 Registers maintained under the Companies Act, 2013;

ARUN KUMAR MAITRA & CO. KOLKATA Practicing Company Secretaries

ANNEXURE-D 11

कार्यालय प्रधान निदेशक लेखापरीक्षा,
केन्द्रीय व्यय
(कृषि, खाद्य एवं जल संसाधन),
आठवां एवं नवां तल, सी.ए.जी. संकाय भवन,
10, बहादुर शाह ज़फर मार्ग,
नई दिल्ली–110002

SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT,
CENTRAL EXPENDITURE
(AGRICULTURE, FOOD & WATER RESOURCES),
8TH & 9TH FLOOR, CAG ANNEXE BUILDING,
10, BAHADUR SHAH ZAFAR MARG,
NEW DELHI-110002

**गोपनीय**

स. 1443-पी.डी.ए.सी.ई(ए.एफ.डब्ल्यू.आर)/AMG-I/A/cs/TFL/2026-27/2212

दिनांक:20 /07/2026

सेवा में,

प्रबंध निदेशक,
तालचेर फ़र्टिलाइज़र्स लिमिटेड,
प्रशासनिक भवन, तालचेर
पोस्ट विक्रमपुर, जिला अंगुल
ओडिशा -759106

To, HOD - Finance

21/7/2026

**विषय: भारत के नियन्त्रक एवं महालेखापरीक्षक द्वारा कम्पनी अधिनियम 2013 के अनुच्छेद 143(6)(b) के अंतर्गत तालचेर फ़र्टिलाइज़र्स लिमिटेड (TFL) के 31 मार्च 2026 को समाप्त वर्ष के वित्तीय खातों पर टिप्पणियाँ ।**

महोदय,

इस पत्र के साथ कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत तालचेर फ़र्टिलाइज़र्स लिमिटेड (TFL) के 31मार्च 2026 को समाप्त वर्ष के वितीय खातों पर शून्य टिप्पणि भेजी जा रहा है।

कृपया इस पत्र की पावती भेजने की कृपा करें ।

भवदीया,

संलग्न : यथोपरि

तान्या सिंह

(तान्या सिंह)

प्रधान निदेशक लेखापरीक्षा केन्द्रीय व्यय
(कृषि, खाद्य एवं जल संसाधन)

Phone : 011-23239419, 23239420 Fax : 91-23239416 Email: dgaafwr@cag.gov.in

**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 2026**

The preparation of financial statements of **Talcher Fertilizers Limited** for the year ended 31 March 2026 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 **Audit Report dated 08th May 2026**.

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 2026 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

**Place: New Delhi**
**Date: 20.07.2026**

Tanya Singh

**(Tanya Singh)**
**Principal Director of Audit Central Expenditure**
**(Agriculture, Food & Water Resources)**

# INDEPENDENT AUDITOR'S REPORT

**To The Members of ,**

**TALCHER FERTILIZERS LIMITED.**

**Report on the Audit of Standalone Financial Statements**

## Opinion

We have audited the accompanying Standalone Financial Statements of TALCHER FERTILIZERS LIMITED (hereinafter referred to as "the Company") which comprise the Standalone Balance Sheet as at 31st March 2026, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year then ended and notes to the financial statements including a summary of the material accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required

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by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("IND-AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2026, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis of Opinion**

We conducted our audit of the Standalone Financial Statements in accordance with the 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 Standalone 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 Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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**Emphasis of Matter (EOM)**

1.Till the end of the Financial year 2025-26 the company has earmarked Rs.476.56 crores (i.e. 2.5% of revised total project capital cost of Rs.19,062.22 crores) and added the same in CWIP (Capital Work in Progress), towards Enterprise Social Commitments (ESC), as per terms of Environment clearance for the company by Ministry of Environment, Forest and Climate change, ***pending joint meeting with the District Collector for identifying areas of action plan and approved time line*** (Refer Note No.3 of Additional information to Standalone Financial Statements). During the financial year 2025-26, the company has incurred no expenditure towards ESC.

2. ***Equity shares yet to be issued*** against right to use land belonging to FCI Ltd. for an amount of Rs. 253.42 crores.

**Key Audit Matters (KAM)**

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

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mentioned here under:

| Sl. No. | Key Audit Matters | Response to Key Audit Matters |
|---|---|---|
| 1. | **Revenue recognition**<br><br>Interest on fixed deposits made out of equity fund is shown under Revenue Income amounting to Rs.660.64 lakhs and fixed deposit made out of borrowed capital is netted off against the EDC (Expenditure During Construction) amounting to Rs.898.44 lakhs. | **Principal Audit Procedures**<br><br>The following principal audit procedures have been performed by us in relation to revenue recognition:<br><br>a) We have reviewed the Company's accounting policies for Revenue Recognition (Refer point No. 2.3.2 of the Standalone Financial Statements).<br><br>b) Fixed deposits made out of Equity fund and borrowed capital have been separately reviewed to determine the nature of income i.e. revenue receipts & capital receipts. |

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| | | |
|---|---|---|
| 2. | **Estimation of Provision & Contingent Liabilities**<br><br>Litigations and claims may arise from direct and indirect tax proceedings. Resolution of litigations and claim proceedings may span over years beyond 31st March 2026.<br><br>The determination of a provision or contingent liability requires significant judgment by the Company because of the inherent complexity in estimating future liabilities.<br><br>The Company has reported contingent liabilities. The details are as under-<br><br>(a) Disputed claim of M/s. Green Energyz, a contractor pending before DIAC (Delhi International Arbitration Centre) in 2021 demanding Rs. 2.40 crores, for | **Principal Audit Procedures**<br><br>Our audit process involved understanding of identification process relating to litigations, claims and contingent liabilities.<br><br>We have evaluated the design and testing the operating effectiveness of controls in respect of process.<br><br>We have evaluated management's assessment of the likely outcome and potential exposures arising from significant contingencies subject to ongoing cases and appeal proceedings and considered the requirements for any provision as per the best estimate of the possible expenditure.<br><br>In respect of significant claims, we checked the amount of claim, nature |

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| | | |
|---|---|---|
| | which the final order is pending till date. However, TFL has also filed a counter claim of Rs 1.68 crores.<br>(b) Disputed claim of Sarjan Infracon Private Limited, a contractor pending before DIAC (Delhi International Arbitration Centre) in 2026 (Vide Case No.: DIAC/11559/09-25) on 18.03.2026 demanding an amount of Rs 61.18 crores.<br>(c) GST authorities have issued a demand vide Order No- NIL dated 13-03-2026 amounting to Rs 17.65 crores for the tax period 2021-22 (i.e Rs 4.46 crores towards GST, Rs 5.45 crores towards interest and Rs 7.74 crores towards penalty).<br>The provisions and contingent liabilities are subject to changes in the outcomes | of issues involved, management submissions and corroborated the same with external evidence, where available. |

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| | | |
|---|---|---|
| | of litigations and claims over time as new facts emerge as each legal case progresses and positions taken by the Company. There is an inherent complexity in estimations of magnitude of potential exposures. Significant judgment is required to estimate the likelihood, amount of cash outflows, timing based on interpretations of the legal aspects, opinions, demand notices, relevant judgments etc. | |

| 3. | Capital Work in Progress & EDC | Principal Audit Procedures |
|---|---|---|
| | The company has opening balance of capital work in progress amounting to Rs.6,877.53 crores. During the year, the Company has made a gross addition of Rs.3,040.49 crores in CWIP including expenditure during construction.<br><br>Total CWIP as on 31st March, 2026 stands at Rs.9,910.19 crores.<br><br>Refer **Note No.4** of attached Balance Sheet as on 31.03.2026. | a) Our audit process includes a review of the progress of the projects and the intention and ability of the management to carry forward and bring the asset to its state of intended use.<br><br>b) We understood and evaluated the design and tested operating effectiveness of management's internal financial control in relation to approval of expenditure and capitalization of appropriate costs. We were able to place reliance on these controls for the purpose of our audit.<br><br>c) In respect of internal costs allocated to the plant, test checked the identification and allocation of costs directly attributable to the construction of plant. |

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**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The company's management and Board of Directors are responsible for the preparation of other information. The other information comprises the Management Discussion and Analysis, Director's Report including annexures to Director's Report, Corporate Governance, Performance at a Glance and Chairman's Statement included in the annual report of the company, but does not include the Standalone Financial Statements and our auditor's report thereon.

**Responsibilities of Management and those charged with Governance for the Standalone Financial Statements**

Our opinion on the Standalone 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 standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of audit, or otherwise appears to be materially misstated. On reading the Annual report, if we conclude

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that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

The Company's management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the IND AS prescribed under Section 133 of the Act read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

**Auditor's Responsibility for the Audit of the Standalone Financial Statements**

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

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

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We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists

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related to events or conditions that may cast significant doubt on the ability of the Company 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 Statement 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 standalone financial statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events ina 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

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independence, and where applicable, related safeguards.

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

**Report on Other Legal and Regulatory Requirements**

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 give in the **"Annexure A"**, a statement on the matters specified in the paragraph 3 and 4 of the order to the extent applicable.
2. As required by Section 143(5) of the Act, we have considered the direction issued by the Comptroller & Auditor General of India. We give our report in the attached **"Annexure B"**.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The standalone Balance Sheet, the standalone Statement of Profit and Loss, the standalone statement of Cash Flows and the standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts;

(d) In our opinion, the aforesaid Standalone Financial Statements comply with the IND AS specified under Section 133 of the Act read with relevant rule issued thereunder;

(e) As per declaration of management, none of the Directors of the Company is disqualified under Section 164(2) of the Companies Act 2013.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure C"**.

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Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

(g) Reporting under section 197(16) of the Act regarding remuneration to director: The Functional Directors of the company are the employees of the promoter companies viz. CIL, GAIL and RCF. All the three companies are public sector companies and their pay is regulated as per the Public Sector Pay fixed by the GoI and subsequently approved by the concerned Ministries of GoI on the ability to pay based on their Board's recommendation. However, the amount paid to TFL Directors by the promoter companies is being reimbursed by the company subsequently. Their payment is within the limits fixed under Section 197 of the Companies Act 2013;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 11 to the standalone financial statements.

ii. The Company did not have any long-term contracts including

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derivative contracts for which there were any material foreseeable losses.

iii. Cause relating to Investor Education and Protection Fund by the Company is not applicable for the company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, 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 or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- 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")
- 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 persons or entities, 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

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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; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, 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 mis-statement.

(d) ***Audit Trail***: reporting under Rule 11(g): The company has used Tally-Prime (Edit Log) software to maintain its books of accounts in respect of financial years commencing on or after 01.04.2023.

It has the feature of "Edit log" facility in it and it has been operated throughout the year for all the transactions. As per our sample verification, the same feature has not been tampered.

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The Audit Trail has been preserved as per requirement of Section 128(5) of the Act, for record retention.

**For Pratyush & Associates**
**Chartered Accountants**

PRMohanti

**P.R. Mohanti, FCA, DISA, IFRS, FAFP, AI-L1(ICAI),**
**Partner**
**UDIN:** 26057557KMXIGK4415

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**'ANNEXURE - A' to Independent Auditor's Report on the Standalone Financial Statements of TALCHER FERTILIZERS LIMITED for the year ended 31 March 2026.**

**(Referred to in para 1 under 'Report on Legal and Regularity Requirements' section of our report of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment and relevant details of right-of-use assets;

(B) The Company has a regular program of physical verification of Property, Plant & Equipment and right-of-use assets by which all the assets are verified in a phased manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. Accordingly, the physical verification has been carried out by the management during the year. We are informed that no material discrepancies were noticed on such verification.

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( C) As per the revised Concession Agreement (CA) signed for the land area of 870.95 acres of FCIL, Talcher and Banrpal land forms part of account as the sub-leasing of FCI Ltd. land to TFL.

(D) The Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) and intangible assets during the year.

(ii) The clause relating to physical verification of the inventory is not applicable to the Company,

(iii) Company has not availed any working capital limits in excess of rupees five crores, in aggregate, from banks or financial institutions which are secured on the basis of security of current assets ,

(iv) The company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.

(a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

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(b) The Company has not provided any guarantee or given any security,

(c) In our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest;

(d) No loans and advances in the nature of loans have been granted by the company, accordingly, paragraph 3(iii)(c), (d), (e) and (f) of the Order is not applicable.

(v) The Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security made.

(vi) The Company has not accepted any deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.

(vii) The clause relating to maintenance of Cost Records by the Company specified by Central Government under Sub Section (1) of section 148 of the Act, is not applicable at this stage for the company.

(viii) (a) The Company is generally regular in depositing, with the appropriate authorities, undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State

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Insurance, Income tax, Duty of Customs, Duty of Excise, Value Added Tax, cess and other statutory dues. Further, no undisputed amounts remain payable in respect of such statutory liabilities as at 31st March 2026 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above, which have not been deposited as on 31st March2026 on account of disputes are given below:

**NIL**

(ix)There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(x) (a)The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender dues to any Bank or Bonds/Debenture holders as at the Balance Sheet date.

(b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

(c) Term loans were applied for the purpose for which the loans were obtained;

(d) Based on an overall examination of the financial statements of

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the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) Based on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person.

(ix) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) and hence reporting under clause 3(x)(b) ofthe Order is not applicable

(c) According to the information and explanation given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year;

(d) No report has been filed under Sub-section (12) of Section 143 of the Companies Act by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors)

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Rules, 2014 with the Central Government during the year and up to the date of this report; and

(e)According to the information and explanation given to us, there are no whistle blower complaints received during the year;

(x) The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xi) In our opinion, the Company is in compliance with Section 177 and 188 of the Act with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

(xii) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xiii) The Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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(xiv) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank Directions, 2016). Accordingly, paragraph 3(xvi) (d) of the Order is not applicable to the Company.

(xv) The Company has not incurred cash losses (being under construction) during the financial year covered by our audit and the immediately preceding financial year.

(xvi) There has been no resignation of the statutory auditors of the Company during the year.

(xvii) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of

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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 the 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.

(xviii) Provisions of sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, related to Corporate Social Responsibility policy does not apply to the company as the commercial production has not started.

**For Pratyush & Associates**

**Chartered Accountants**

**P.R. Mohanti, FCA, DISA, IFRS, FAFP, AI-L1(ICAI)**

**Partner**

**'ANNEXURE B' to Independent Auditor's Report on the Standalone Financial Statements of TALCHER FERTILIZERS LIMITED for the year ended 31st March 2026**

**(Referred to in para 2 under 'Report on Legal and Regularity Requirements' section of our report of even date)**

## COMPLIANCE CERTIFICATE

We have conducted the audit of the accounts of TALCHER FERTILIZERS LIMITED for the year ended 31st March 2026, in accordance with the directions / sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/sub-directions issued to us.

**For Pratyush & Associates**
**Chartered Accountants**

PRMohanti

**P.R. Mohanti, FCA, DISA, IFRS, FAFP, AI-L1(ICAI)**
**Partner**

Enclosed: Direction u/s 143(5)

**AUDIT REPORT OF TALCHER FERTILIZERS LIMITED FOR THE YEAR 2025-26 PURSUANT TO DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013 Vide Notification dtd. 27.02.2026.**

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

I. Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.

**-NA-**

II. Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Companies' financial reporting process as well as cyber security has been done by Information Security Auditing Organisations empaneled by Cert-In at a minimum frequency of once in a year and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be reported.

**NO.**

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

**However, the Company is using Tally for accounting records and the backup and trail is maintained properly.**

III. Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the grant. List the cases of deviation.

**There is no such item and hence, not applicable.**

IV. Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?

**Yes, the Company has identified the key Risk areas.**

**Yes, the Company has formulated the Risk Management policy to mitigate these risks.**

**Yes, the best practices have been followed as far as**

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

**possible/practicable during formulation of such policies.**

**The company is in process of identifying data assets and its valuation.**

V. Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.

**Not applicable (not being a listed company).**

**However, since Coal India Ltd., Gas Authority of India Ltd., Rastriya Chemicals & Fertilizers Ltd. and Fertiliser Corporation of India Ltd. being its promotors, it does the limited review of financials and submits to those companies.**

**Further, it complies with the requirements of other applicable laws.**

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

**'ANNEXURE C' to Independent Auditor's Report on the Standalone Financial Statements of TALCHER FERTILIZERS LIMITED for the year ended 31st March 2026.**

(Referred to in para 3(f) under 'Report on Legal and Regularity Requirements' section of our report of even date)

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 (hereinafter referred to as "the Company") as of 31st March 2026 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

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 fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**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 Act, 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 wasestablished 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

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

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

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2026, based on the internal control over financial reporting criteria established by the Company considering the essentialcomponents of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For Pratyush & Associates**
**Chartered Accountants**

**P.R. Mohanti, FCA, DISA, IFRS, FAFP, AI-L1(ICAI)**
**Partner**

**Bhubaneswar**
**Dtd:08.05.2026**
**UDIN: 26057557KMXIGK4415**

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

## TALCHER FERTILIZERS LIMITED
## BALANCE SHEET AS AT

(Rs. in Lakh)

| | Note No. | 31.03.2026 | 31.03.2025 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| (a) Property, Plant & Equipments | 3 | 11682.68 | 11840.58 |
| (b) Capital Work in Progress | 4 | 991019.57 | 687753.47 |
| (c) Right of Use Assets | 5 | 27286.50 | 27894.92 |
| (d) Financial Assets | | | |
| (i) Investments | 6 | 0.00 | 0.00 |
| (ii) Loans | 7 | 0.00 | 0.00 |
| (iii) Other Financial Assets | 8 | 352.06 | 341.18 |
| (e) Deferred Tax Assets | | | |
| (f) Other non-current assets | 9 | 3113.96 | 1720.08 |
| **Total Non-Current Assets (A)** | | **1033454.77** | **729550.23** |
| **Current Assets** | | | |
| (a) Financial Assets | | | |
| (i) Investments | 6 | 0.00 | 0.00 |
| (ii) Cash & Cash equivalents | 11 | 22464.73 | 11572.62 |
| (iii) Other Bank Balances | 12 | 1025.06 | 265.59 |
| (iv) Loans | 7 | 0.00 | 0.00 |
| (v) Other Financial Assets | 8 | 103.33 | 103.33 |
| (b) Current Tax Assets | | 160.39 | 286.12 |
| (c) Other Current Assets | 10 | 1237.00 | 100762.69 |
| **Total Current Assets (B)** | | 24990.51 | 112990.35 |
| **Total Assets (A+B)** | | **1058445.28** | **842540.58** |

| | Note No. | 31.03.2026 | 31.03.2025 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity Share Capital | 13 | 544145.93 | 270644.69 |
| (b) Other Equity | 14 | 21221.82 | 9650.71 |
| **Total Equity (A)** | | **565367.75** | **280295.40** |
| **Liabilities** | | | |
| **Non-Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 15 | 385876.00 | 424022.00 |
| (ii) Lease Liabilities | 16 | 4981.93 | 17719.74 |
| (iii) Other Financial Liabilities | 17 | 0.00 | 0.00 |
| (b) Provisions | 18 | 47724.90 | 42741.36 |
| (c) Deferred Tax Liabilities | | 35.85 | 38.34 |
| (d) Other Non-Current Liabilities | 19 | 0.00 | 0.00 |
| **Total Non-Current Liabilities (B)** | | **438618.68** | **484521.44** |
| **Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 15 | 0.00 | 0.00 |
| (ii) Lease Liabilities | 16 | 6.00 | 5.00 |
| (ii) Trade payables | 20 | | |
| Micro, Small & Medium enterprises | | 33.60 | 18.67 |
| Other than Micro, Small & Medium enterprises | | 88.68 | 59.20 |
| (iii) Other Financial Liabilities | 17 | 53504.75 | 76714.56 |
| (b) Other Current Liabilities | 19 | 692.97 | 924.12 |
| (c) Provisions | 18 | 132.85 | 2.19 |
| **Total Current Liabilities (C)** | | **54458.85** | **77723.74** |
| **Total Equity and Liabilities (A+B+C)** | | **1058445.28** | **842540.58** |

The Accompanying Notes form an integral part of Financial Statements.

For Pratyush and Associates
Chartered Accountants
Firm Registration No. 322996E
CA. Pratyush Ranjan Mohanti
Partner
Membership No. 057557

Dated: 08.05.2026
Place: Talcher

(Shyamal Roy)
DIN: 10304405
Director(O)

(Ambati Lakshmi Prabha)
DIN:09637525
Director(Fin)

(Vivek Srivastava)
MD-TFL
DIN:10131772

Dinesh Singh-Jhala
Company Secretary
ACS-31656

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

UDIN: 26057557KMXIGK4415

# TALCHER FERTILIZERS LIMITED
## STATEMENT OF PROFIT & LOSS

(Rs. in Lakh)

| Particulars | Note No. | For the Year Ended 31.03.2026 | For the Year Ended 31.03.2025 |
|---|---|---|---|
| Revenue from Operations | 21 | 0.00 | 0.00 |
| Other Income | 22 | 708.04 | 1288.28 |
| **Total Income (A)** | | 708.04 | 1288.28 |
| **EXPENSES** | | | |
| Depreciation and Amortization Expense | 23 | 134.22 | 110.06 |
| Employee Benefits Expense | 24 | 570.33 | 466.96 |
| Other Expenses | 25 | 1172.50 | 437.99 |
| **Total Expenses (B)** | | **1877.05** | **1015.01** |
| **Profit before exceptional items and Tax (A-B)** | | **(1169.01)** | **273.27** |
| Exceptional Items ('C) | | | - |
| **Profit before Tax D=(A-B-C)** | | **(1169.01)** | **273.27** |
| **Tax Expenses** | | | |
| Current Tax | | - | - |
| Deferred Tax | | (2.49) | 26.33 |
| **Total Tax Expenses (E)** | | (2.49) | 26.33 |
| **Profit for the period/year F=(D-E)** | | **(1166.52)** | **246.94** |
| **Other Comprehensive Income** | | | |
| (i) Items that will not be reclassified to profit or loss | | **0.00** | **0.00** |
| Less:Income tax relating to items that will not be reclassified to profit or loss | | **0.00** | **0.00** |
| (i) Items that will be reclassified to profit or loss | | **0.00** | **0.00** |
| Less:Income tax relating to items that will be reclassified to profit or loss | | **0.00** | **0.00** |
| **Total Other Comprehensive Income (G)** | | **0.00** | **0.00** |
| **Total Comprehensive Income for the period H= (F+G) (Comprising Profit (Loss) and Other Comprehensive Income for the period)** | | **(1166.52)** | **246.94** |
| **Earning per equity share** | | | |
| (1) Basic (in Rs.) | | **(0.02)** | **0.01** |
| (2) Diluted (in Rs.) | | **(0.02)** | **0.01** |

The Accompanying Notes form an integral part of Financial Statements.

For Pratyush and Associates
Chartered Accountants
Firm Registration No. 322996E

CA. Pratyush Ranjan Mohanti
Partner
Membership No. 057557

Dated: 08-05-2026
Place:Talcher

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

(Shyamal Roy)
DIN: 10304405
Director(O)

(Ambati Lakshmi Prabha)
DIN:09637525
Director(Fin)

(Vivek Srivastava)
MD-TFL
DIN:10131772

Dinesh Singh Jhala
Company Secretary
ACS-31656

UDIN: 26057557KMXIGK4415

**TALCHER FERTILIZERS LIMITED**

**Statement of Changes in Equity**

(Rs. in Lakh)

**A. EQUITY SHARE CAPITAL**

**As at 31.03.2026**

| Particulars | Balance as at 01.04.2025 | Changes in Equity Share Capital due to prior period errors | Restated Balance as at 01.04.2025 | Changes In Equity Share Capital During The Period | Balance as at 31.03.2026 |
|---|---|---|---|---|---|
| 5,44,14,59,308 Equity Shares of ₹10/- each (2,70,64,46,876 Equity Shares of ₹10/- each as on 31.03.2025) | 2,70,644.69 | - | 2,70,644.69 | 2,73,501.24 | 5,44,145.93 |

**As at 31.03.2025**

| Particulars | Balance as at 01.04.2024 | Changes in Equity Share Capital due to prior period errors | Restated Balance as at 01.04.2024 | Changes In Equity Share Capital During The Period | Balance as at 31.03.2025 |
|---|---|---|---|---|---|
| 2,70,64,46,876 Equity Shares of ₹10/- each (2,41,64,47,478 Equity Shares of ₹10/- each as on 31.03.2024) | 2,41,644.75 | - | 2,41,644.75 | 28,999.94 | 2,70,644.69 |

**B. OTHER EQUITY**

| Particulars | Share to be issued against right of use of land | Reserves & Surplus | | | | Total |
|---|---|---|---|---|---|---|
| | | Capital Redemption reserve | Capital Reserve | General Reserve | Retained Earnings | |
| **Balance as at 01.04.2025** | 12,604.57 | - | - | - | -2953.87 | 9650.71 |
| Adjustment in Opening Balance | | | | | | 0.00 |
| Changes in accounting policy or prior period errors | | | | | | 0.00 |
| **Restated Balance as at 01.04.2025** | 12,604.57 | - | - | - | -2953.87 | 9650.71 |
| Total Comprehensive Profit | | | | | -1166.52 | -1166.52 |
| Interim Dividend | | | | | | 0.00 |
| Final Dividend | | | | | | 0.00 |
| Addition during the Period | 12,737.63 | | | | | 12737.63 |
| Adjustments during the period | | | | | | 0.00 |
| Transfer to / from General reserve | | | | | | 0.00 |
| Buy Back of Shares | | | | | | 0.00 |
| Tax on Buy back | | | | | | 0.00 |
| Issue of Bonus Shares | | | | | | 0.00 |
| **Balance as at 31.03.2026** | 25,342.20 | - | - | - | -4120.39 | 21221.82 |

PR Mohanti

**For Pratyush and Associates**
**Chartered Accountants**
**Firm Registration No. 322996E**
**CA. Pratyush Ranjan Mohanti**
**Partner**
**Membership No. 057557**

**Dated:** 08.05.2026
**Place: Talcher**

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

**(Shyamal Roy)**
**DIN: 10304405**
**Director(O)**

**(Ambati Lakshmi Prabha)**
**DIN:09637525**
**Director(Fin)**

**(Vivek Srivastava)**
**MD-TFL**
**DIN:10131772**

**Dinesh Singh Jhala**
**Company Secretary**
**ACS-31656**

Continued

UDIN: 26057557KMXIGK4415

**B. OTHER EQUITY**

| Particulars | Share to be issued against right of use of land | Reserves & Surplus | | | | Total |
|---|---|---|---|---|---|---|
| | | Capital Redemption reserve | Capital Reserve | General Reserve | Retained Earnings | |
| **Balance as at 01.04.2024** | - | - | - | - | -3200.81 | -3200.81 |
| Adjustment in Opening Balance | | | | | - | 0.00 |
| Changes in accounting policy or prior period errors | | | | | | 0.00 |
| **Restated Balance as at 01.04.2024** | - | - | - | - | -3200.81 | -3200.81 |
| Total Comprehemsive Profit | | | | | 246.94 | 246.94 |
| Interim Dividend | | | | | | 0.00 |
| Final Dividend | | | | | | 0.00 |
| Addition during the Period | 12,604.57 | | | | | 12604.57 |
| Adjustments during the period | | | | | | 0.00 |
| Transfer to / from General reserve | | | | | | 0.00 |
| Buy Back of Shares | | | | | | 0.00 |
| Tax on Buy back | | | | | | 0.00 |
| Issue of Bonus Shares | | | | | | 0.00 |
| **Balance as at 31.03.2025** | 12,604.57 | - | - | - | -2953.87 | 9650.71 |

PRMohanty

**For Pratyush and Associates**
**Chartered Accountants**
**Firm Registration No. 322996E**
**CA. Pratyush Ranjan Mohanti**
**Partner**
**Membership No. 057557**

**Dated:** 08-05-2026
**Place:Talcher**

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

**(Shyamal Roy)**
**DIN: 10304405**
**Director(O)**

**(Vivek Srivastava)**
**MD-TFL**
**DIN:10131772**

**(Ambati Lakshmi Prabha)**
**DIN:09637525**
**Director(Fin)**

**Dinesh Singh Jhala**
**Company Secretary**
**ACS-31656**

UDIN: 26057557KMXIGK4415

# TALCHER FERTILIZERS LIMITED

## Cash Flow Statement

(INDIRECT METHOD) (Rs. in Lakh)

| Particulars | For the Year Ended 31.03.2026 | For The Year ended 31.03.2025 |
|---|---|---|
| **I. CASH FLOW FROM OPERATING ACTIVITIES:** | | |
| Profit Before Tax | (1,169.01) | 273.27 |
| **Adjustments for : -** | | |
| Depreciation/Amortization/ Impairment | 134.22 | 110.06 |
| Interest income on bank deposits | (660.64) | (1,281.37) |
| **Cash flows from operating activities before changes in following assets and liabilities** | **(1,695.43)** | **(898.04)** |
| (Increase) / Decrese in Other Bank Balances | (759.47) | 5.39 |
| (Increase) / Decrese in Other Current Assets | 99,525.69 | (27,596.51) |
| (Increase) / Decrese in other financial assets | 0.00 | (9.99) |
| (Increase) / Decrese in Current Tax Assets | 125.73 | (139.95) |
| Increase / (Decrese) in Trade Payables | 44.41 | 27.55 |
| Increase / (Decrese) in Provision | 5,114.20 | 31.34 |
| Increase / (Decrese) in Other Current Liabilites | (231.15) | (1,388.47) |
| Increase / (Decrese) in Other Financial Liability | (23,209.82) | 17,854.13 |
| **CASH GENERATED FROM OPRERATIONS** | **78,914.16** | **(12,114.55)** |
| Less : Income Tax Paid | | |
| **NET CASH FLOW FROM OPRERATING ACTIVITIES** | **78,914.16** | **(12,114.55)** |
| **II.CASH FLOW FROM INVESTING ACTIVITIES:** | | |
| Purchase of fixed Assets | 23.68 | (4,751.15) |
| Increase in Non Current Assets | (1,404.76) | 860.32 |
| Increase in Capital Work in Progress | (3,02,656.85) | (1,70,678.99) |
| Interest income on bank deposits | 660.64 | 1,281.37 |
| **NET CASH USED IN INVESTING ACTIVITIES** | **(3,03,377.29)** | **(1,73,288.45)** |
| **III. CASH FLOW FROM FINANCING ACTIVITIES:** | | |
| Increase in Share Capital | 2,73,501.24 | 28,999.94 |
| Increase in Borrowing | (38,146.00) | 1,53,377.00 |
| **NET CASH FLOW FROM FINANCING ACTIVITIES** | **2,35,355.24** | **1,82,376.94** |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS** | **10,892.11** | **(3,026.06)** |
| **Opening balance of Cash & Cash equivalents** | **11,572.62** | **14,598.68** |
| **Closing balance of Cash & Cash equivalents** | **22,464.73** | **11,572.62** |

PRMohanti

**For Pratyush and Associates**
**Chartered Accountants**
**Firm Registration No. 322996E**
**CA. Pratyush Ranjan Mohanti**
**Partner**
**Membership No. 057557**

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

**Dated:** 08-05-2026
**Place: Talcher**

**(Shyamal Roy)**
**DIN: 10304405**
**Director(O)**

**(Ambati Lakshmi Prabha)**
**DIN:09637525**
**Director(Fin)**

**(Vivek Srivastava)**
**MD-TFL**
**DIN:10131772**

**Dinesh Singh Jhala**
**Company Secretary**
**ACS-31656**

UDIN: 26057557KMXIGK4415

## 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, 2013, applicable in India having its registered office at Plot 2/H, Kalpana Area, BJB Nagar, Khordha, Bhubaneswar, Odisha 751014, India.

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

### Note 2: MATERIAL 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.

#### 2.2Current 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.

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

## 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.

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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:

| Assets Description | Useful Life in Years |
|---|---|
| Computers, Laptops and other accessories | 3 |
| Office equipment | 5 |
| Furniture and Fittings | 10 |
| Buildings including Old Refurbished Buildings | 3 to 60 |
| Plant and Machinery | 8 to 25 |
| Road & Culverts | 3 to 30 |

Assets are depreciated at the estimated useful life, as specified under schedule II of the Companies Act, 2013 except for which useful life is different from Schedule II are tabulated below-

| Asset Type | Useful Life in Years |
|---|---|
| Old Refurbished Buildings | 15 |
| Road & Culverts | 20 |
| Buildings Constructed over lease land | 50 |

The proposed useful life of assets is in line with the recommendation of the Technical Dept. of TFL.

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%.

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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.

### 2.5.1 Capital Work in Progress

Expenditure incurred for construction/manufacturing of capital asset which are directly related to the asset and are separately identifiable, are capitalized as work in progress. Such expenditures presently include expenditures for setting up the plants for Coal gasification and Ammonia Urea, for Silo renovation/construction, 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.

Expenditure incurred for activities directly related to the project which are not identifiable for a particular capital asset 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 capitalized 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.

### 2.5.2 Leases

**i. Company as a lessee**

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. The interest expense on the lease liability and the depreciation expense on the right-of-use asset is separately recognized.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

**ii. Company as a lessor**

**Finance leases:**

Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to

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reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**Operating Lease:**
A lease which is not classified as a finance lease is an operating lease. The Company recognises lease payments in case of assets given on operating leases as income on a straight-line basis.

**2.6.1 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.

**2.6.2 Damages arising from invocation of Penal Clauses**

During the construction phase, damages arising from invocation of penal clauses of the contracts be used to reduce the cost of the asset as the reduction only relates to acquisition/construction thereof.

**2.7Impairment 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.

**2.8Financial 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**

**2.8.1.1Initial 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.

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**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**

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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.

**2.8.1.3Derecognition**

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.

**2.8.1.4Impairment 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

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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.

**2.8.2Financial 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:

**2.8.2.2.1Financial 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/ losses 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.

**2.8.2.2.2Financial 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.

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**2.8.2.3Derecognition**

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.

**2.8.3Reclassification of financial assets**

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

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

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

**2.8.4Offsetting of financial instruments**

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

### 2.8.5 Cash & Cash equivalents

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

### 2.9 Taxation

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

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

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

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

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

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

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

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### 2.10Foreign 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.

### 2.11Provisions, 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.

### 2.12Earnings 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.

### 2.13Judgements, Estimates and Assumptions

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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

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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.

**2.13.2.3Fair 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.

**2.14Abbreviation 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 |

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| | | |
|---|---|---|
| **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 |

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# TALCHER FERTILIZERS LIMITED

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

(Rs. in Lakh)

| | Building (including water supply, roads and culverts) | Plant and Equipments | Computer | Furniture and Fixtures | Office Equipments | Total |
|---|---|---|---|---|---|---|
| **Gross Carrying Amount:** | | | | | | |
| Balance as at 01.04.2024 | 10558.45 | 1693.05 | 51.60 | 86.42 | 74.88 | **12464.41** |
| Additions | 2128.17 | 7.67 | 49.81 | 20.35 | 15.48 | **2221.48** |
| Deletions/Adjustments | | -8.35 | | | | **-8.35** |
| Transfer In/Out | | | | -8.33 | 8.33 | **0.00** |
| **As at 31.03.2025** | **12686.62** | **1692.37** | **101.41** | **98.44** | **98.69** | **14677.54** |
| Balance as at 01.04.2025 | 12686.62 | 1692.37 | 101.41 | 98.44 | 98.69 | **14677.54** |
| Additions | | 783.06 | 0.00 | 7.64 | 25.49 | **816.19** |
| Deletions/Adjustments | | | | | | **0.00** |
| Transfer In/Out | | | | | | **0.00** |
| **As at 31.03.2026** | **12686.62** | **2475.43** | **101.41** | **106.08** | **124.18** | **15493.73** |
| **Accumulated Depreciation and Impairment** | | | | | | |
| Balance as at 01.04.2024 | 1507.75 | 359.02 | 28.79 | 26.31 | 44.31 | **1966.18** |
| Charge for the year | 685.10 | 140.16 | 23.10 | 9.21 | 13.21 | **870.78** |
| Impairment | | | | | | |
| Deletions/Adjustments | | | | | | |
| Transfer In/Out | | | | -0.62 | 0.62 | |
| **As at 31.03.2025** | **2192.85** | **499.18** | **51.89** | **34.90** | **58.14** | **2836.96** |
| Balance as at 01.04.2025 | 2192.85 | 499.18 | 51.89 | 34.90 | 58.14 | **2836.96** |
| Charge for the year | 746.40 | 177.66 | 23.12 | 16.65 | 10.26 | **974.09** |
| Impairment | | | | | | **0.00** |
| Deletions/Adjustments | | | | | | **0.00** |
| Transfer In/Out | | | | | | **0.00** |
| **As at 31.03.2026** | **2939.25** | **676.84** | **75.01** | **51.55** | **68.40** | **3811.05** |
| **Net Carrying Amont** | | | | | | |
| **As at 31.03.2026** | **9747.37** | **1798.59** | **26.40** | **54.54** | **55.78** | **11682.68** |
| **As at 31.03.2025** | **10493.77** | **1193.19** | **49.52** | **63.55** | **40.55** | **11840.58** |

# TALCHER FERTILIZERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS**
**NOTE 4 : CAPITAL WIP**

(Rs. in Lakh)

| | Land & Development | Water Plant | Silo | Ammonia Urea plant | Coal Gassification Plant | Building Under Construction | Steam Generation Plant | Electrical Distribution System | Water Treatment Plant | Railway Siding | Other -Offsite Facilities | Expenses During Construction - CWIP | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Carrying Amount:** | | | | | | | | | | | | | |
| Balance as at 01.04.2024 | 11165.94 | 5341.54 | 5.00 | 96648.84 | 201504.64 | 2813.85 | 48278.04 | 7023.44 | 28590.63 | 4533.79 | 19151.78 | 86283.85 | **511341.34** |
| Additions | 110.44 | 85.28 | 0.00 | 12937.83 | 28150.34 | 1016.60 | 26397.20 | 2779.16 | 13517.71 | 3333.77 | 46114.71 | 44117.94 | **178560.98** |
| Deletions/Capitalization | - 20.68 | | | | | -2128.17 | | | | | | | **-2148.85** |
| Transfer In/Out | | | | | | | | | | | | | **0.00** |
| **As at 31.03.2025** | **11255.70** | **5426.82** | **5.00** | **109586.67** | **229654.98** | **1702.28** | **74675.24** | **9802.60** | **42108.34** | **7867.56** | **65266.49** | **130401.79** | **687753.47** |
| Balance as at 01.04.2025 | 11255.70 | 5426.82 | 5.00 | 109586.67 | 229654.98 | 1702.28 | 74675.24 | 9802.60 | 42108.34 | 7867.56 | 65266.49 | 130401.79 | **687753.47** |
| Additions | 0.00 | 1310.65 | 0.00 | 43580.83 | 91844.99 | 0.00 | 31939.39 | 4573.25 | 14346.34 | 7761.80 | 57612.74 | 51079.17 | **304049.16** |
| Deletions/Capitalization | | | | | | | | | | | -650.96 | -132.10 | **-783.06** |
| Transfer In/Out | | | | | | | | | | | | | |
| **As at 31.03.2026** | **11255.70** | **6737.48** | **5.00** | **153167.50** | **321499.97** | **1702.28** | **106614.63** | **14375.85** | **56454.68** | **15629.36** | **122228.27** | **181348.86** | **991019.57** |
| **Accumulated Depreciation and Impairment** | | | | | | | | | | | | | |
| Balance as at 01.04.2024 | | | | | | | | | | | | | |
| Charge for the year | | | | | | | | | | | | | |
| Impairment | | | | | | | | | | | | | |
| Deletions/Capitalization | | | | | | | | | | | | | |
| Transfer In/Out | | | | | | | | | | | | | |
| **As at 31.03.2025** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** |
| Balance as at 01.04.2025 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | **0.00** |
| Charge for the year | | | | | | | | | | | | | |
| Impairment | | | | | | | | | | | | | |
| Deletions/Capitalization | | | | | | | | | | | | | |
| Transfer In/Out | | | | | | | | | | | | | |
| **As at 31.03.2026** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** |
| **Net Carrying Amont** | | | | | | | | | | | | | |
| **As at 31.03.2026** | 11255.70 | 6737.48 | 5.00 | 153167.50 | 321499.97 | 1702.28 | 106614.63 | 14375.85 | 56454.68 | 15629.36 | 122228.27 | 181348.86 | 991019.57 |
| **As at 31.03.2025** | 11255.70 | 5426.82 | 5.00 | 109586.67 | 229654.98 | 1702.28 | 74675.24 | 9802.60 | 42108.34 | 7867.56 | 65266.49 | 130401.79 | 687753.47 |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

# TALCHER FERTILIZERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 5: RIGHT OF USE ASSETS

(Rs. in Lakh)

| | Land and Other Assets |
|---|---|
| **Gross Carrying Amount:** | |
| Balance as at 01.04.2024 | 0.00 |
| Additions | 30432.94 |
| Capitalisation/ Deletions | |
| **As at 31.03.2025** | **30432.94** |
| Balance as at 01.04.2025 | 30432.94 |
| Additions | 0.00 |
| Deletions/Adjustments | (0.16) |
| **As at 31.03.2026** | 30432.78 |
| **Accumulated amortization** | |
| Balance as at 01.04.2024 | 0.00 |
| Charge for the year | 2538.02 |
| Deletions/Adjustments | |
| **As at 31.03.2025** | 2538.02 |
| Balance as at 01.04.2025 | 2538.02 |
| Charge for the year | 608.26 |
| Deletions/Adjustments | |
| **As at 31.03.2026** | 3146.28 |
| **Net Carrying Amount** | |
| **As at 31.03.2026** | **27286.50** |
| **As at 31.03.2025** | **27894.92** |

# TALCHER FERTILIZERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 6 INVESTMENTS

(Rs. in Lakh)

| | As at | |
|---|---|---|
| **Current** | **31.03.2026** | **31.03.2025** |
| **Mutual Fund Investment** | | |
| Liquid /Overnight Fund | | |
| **Total :** | **0.00** | **0.00** |

PRATYUSH & ASSOCIATES
CHARTERED ACCOUNTANTS

TALCHER FERTILIZERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 7 : LOANS

(Rs. in Lakh)

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **Non-Current** | | |
| **Loans to related parties** | | |
| - Secured, considered good | | |
| - Unsecured, considered good | | |
| - Have significant increase in credit risk | | |
| - Credit impaired | | |
| | - | - |
| Less: Allowance for doubtful loans | | |
| | - | - |
| **Loans to other than related parties** | | |
| **Loans to body corporate and employees** | | |
| - Secured, considered good | | |
| - Unsecured, considered good | | |
| - Have significant increase in credit risk | | |
| - Credit impaired | | |
| | - | - |
| Less: Allowance for doubtful loans | | |
| | - | - |
| **TOTAL** | - | - |

| Details of non current loans to related parties | 31.03.2026 | | 31.03.2025 | |
|---|---|---|---|---|
| Type of borrower | Gross Amount Outstanding | % to the total gross loans | Gross Amount Outstanding | % to the total gross loans |
| Directors | | - | | - |
| KMPs | | - | | - |
| Related Parties | | - | | - |
| Total | - | - | - | - |

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **Current** | | |
| **Loans to related parties** | | |
| - Secured, considered good | | |
| - Unsecured, considered good | | |
| - Have significant increase in credit risk | | |
| - Credit impaired | | |
| | - | - |
| Less: Allowance for doubtful loans | | |
| | - | - |
| **Loans to other than related parties** | | |
| **Loans to body corporate and employees** | | |
| - Secured, considered good | | |
| - Unsecured, considered good | | |
| - Have significant increase in credit risk | | |
| - Credit impaired | | |
| | - | - |
| Less: Allowance for doubtful loans | | |
| | - | - |
| **TOTAL** | - | - |

| Details of current loans to related parties | - | | - | |
|---|---|---|---|---|
| Type of borrower | Gross Amount Outstanding | % to the total gross loans | Gross Amount Outstanding | % to the total gross loans |
| Directors | | - | | - |
| KMPs | | - | | - |
| Related Parties | | - | | - |
| Total | - | - | - | - |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

## TALCHER FERTILIZERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### NOTE - 8 : OTHER FINANCIAL ASSETS

(Rs. in Lakh)

| | As at 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Current** | | |
| Security deposits | 103.33 | 103.33 |
| Less: Allowance for doubtful security deposits | | |
| | 103.33 | 103.33 |
| Other Deposit and Receivables | - | 0.00 |
| Less : Allowance for doubtful deposits & receivables | | |
| | - | - |
| **TOTAL** | **103.33** | **103.33** |
| **Non Current** | | |
| Security deposits | 339.88 | 339.83 |
| Less : Allowance for doubtful security deposits | | |
| | 339.88 | 339.83 |
| Other Deposit and Receivables | 12.18 | 1.35 |
| Less : Allowance for doubtful deposits & receivables | | |
| | 12.18 | 1.35 |
| **TOTAL** | **352.06** | **341.18** |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

# TALCHER FERTILIZERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 9 : OTHER NON-CURRENT ASSETS

(Rs. in Lakh)

| | As at 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Capital Advances** | | |
| Advance to OFDC | 74.81 | 26.89 |
| Advance to OPTCL | 449.03 | 468.64 |
| Advance for Insurance | 29.50 | - |
| Advance to CESU for Supply of Power to Intake Well | - | 0.15 |
| Advance to TPCODL | 459.03 | 459.03 |
| Advance to RWS&S | 54.42 | 54.42 |
| (RITES-TFL) Imprest Fund | 1,714.84 | 255.58 |
| MA by Rites to Shree Balaji Engicons Ltd. | 228.17 | 351.21 |
| Advance to IDCO | 12.61 | 12.61 |
| Advance to Municipality, Talcher | 24.67 | 24.67 |
| Advance to P. H Division-Angul | 66.88 | 66.88 |
| Less : Allowance for doubtful advances | | |
| **TOTAL** | **3,113.96** | **1,720.08** |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

# TALCHER FERTILIZERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE -10: OTHER CURRENT ASSETS

(Rs. in Lakh)

| | As at 31.03.2026 | 31.03.2025 |
|---|---|---|
| Advance payment of statutory dues | 50.40 | 13.94 |
| Less : Allowance for doubtful Stat. dues | | |
| | 50.40 | 13.94 |
| Other Deposits and Advances | 0.28 | 3.55 |
| Less : Allowance for other deposits and advances | | |
| | 0.28 | 3.55 |
| **Input Tax Credit receivable** | | |
| GST Receivable | 1,156.56 | 83,039.53 |
| GST Refundable | 0.84 | 0.84 |
| GST unclaimed | - | 17,638.19 |
| Prepaid Expenses | 28.14 | 65.06 |
| Advance to employees | 0.78 | 1.58 |
| Total | 1,237.00 | 1,00,762.69 |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

## TALCHER FERTILIZERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### NOTE - 11 : CASH AND CASH EQUIVALENTS

(Rs. in Lakh)

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| (a) Balances with Banks | | |
| - in Deposit Accounts | 22013.57 | 11224.17 |
| - in Current Accounts | 20.23 | 187.79 |
| (b) Cheques, Drafts and Stamps in hand | | |
| (c) Cash on hand | | |
| (d) Accured Interest | 430.93 | 160.66 |
| **TOTAL** | **22,464.73** | **11,572.62** |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

## TALCHER FERTILIZERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### NOTE - 12 : OTHER BANK BALANCES

(Rs. in Lakh)

| | As at | |
|---|---|---|
| | **31.03.2026** | **31.03.2025** |
| **Balances with Banks** | | |
| Deposit accounts | 1,017.37 | 245.20 |
| Accured Interest | 7.69 | 20.39 |
| **Total** | **1,025.06** | **265.59** |

**Note-**

1.This includes Fixed deposits held as 100 % margin money against Bank Guarantee/LC.

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

## TALCHER FERTILIZERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### NOTE - 13 : EQUITY SHARE CAPITAL

(Rs. in Lakh)

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| AUTHORIZED SHARE CAPITAL | 7,50,000.00 | 4,20,000.00 |
| ISSUED,SUBSCRIBED AND PAID-UP EQUITY CAPITAL | 5,44,145.93 | 2,70,644.69 |
| | **5,44,145.93** | **2,70,644.69** |
| SHARE CAPITAL FOR CONSIDERATION OTHER THAN CASH | | |
| | - | - |

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

| Name of Shareholder | Nos. of Shares Held (Face value of Rs.10 each) | % of Total Shares | Nos. of Shares Held (Face value of Rs.10 each) | % of Total Shares |
|---|---|---|---|---|
| | As on 31.03.2026 | | As on 31.03.2025 | |
| Coal India Limited | 2,16,96,53,693 | 39.87 | 90,21,47,292 | 33.33 |
| GAIL (India) Ltd. | 2,16,96,53,693 | 39.87 | 90,21,47,292 | 33.33 |
| Rashtriya Chemicals & Fertilisers Ltd. | 1,10,21,46,922 | 20.25 | 90,21,47,292 | 33.33 |
| Fertiliser Corporation of India Ltd. | 5,000 | 0.01 | 5,000 | 0.01 |

2. The Company has only one class of equity shares having a face value of Rs.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 | FY 2025-26 | FY 2024-25 |
|---|---|---|
| Shares outstanding at the beginning of the period | 2,70,64,46,876 | 2,41,64,47,478 |
| Shares issued during the period | 2,73,50,12,432 | 28,99,99,398 |
| Shares bought back during the period | Nil | Nil |
| Shares outstanding at the end of the period | 5,44,14,59,308 | 2,70,64,46,876 |

4. Shareholding of promoter

| Shares held by promoters as on 31.03.2026 | | | % Change during the year |
|---|---|---|---|
| Promoter's Name | No. of shares | % of total shares | |
| 1. Coal India Limited | 2,16,96,53,693 | 39.87 | 6.54 |
| 2. GAIL (India) Ltd. | 2,16,96,53,693 | 39.87 | 6.54 |
| 3. Rashtriya Chemicals & Fertilisers Ltd. | 1,10,21,46,922 | 20.25 | -13.08 |
| 4. Fertiliser Corporation of India Ltd. | 5,000 | 0.01 | 0.00 |
| Total | 5,44,14,59,308 | 100.00 | 0.00 |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

TALCHER FERTILIZERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 14 : OTHER EQUITY

(Rs. in Lakh)

| | Share to be issued against right of use of land | Other Reserves | | General Reserve | Retained Earnings | Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|---|
| | | Capital Redemption reserve | Capital reserve | | | | |
| Balance as at 01.04.2024 | 0.00 | 0 | 0 | 0.00 | -3200.81 | 0.00 | -3029.81 |
| Changes in accounting policy | | | | | | | 0.00 |
| Prior period errors | | | | | | | 0.00 |
| Restated Balance as at 01.04.2024 | 0.00 | 0.00 | 0.00 | 0.00 | -3200.81 | 0.00 | -3200.81 |
| Additions during the year | 12604.57 | | | | 246.94 | | 12851.51 |
| Adjustments during the year | | | | | | | 0.00 |
| Changes in accounting policy or prior period errors | | | | | | | 0.00 |
| Profit/Loss for the period | | | | | | | 0.00 |
| Balance as at 31.03.2025 | 12604.57 | 0.00 | 0.00 | 0.00 | -2953.87 | 0.00 | 9650.71 |
| Adjustment in Opening Balance | | | | | | | 0.00 |
| Balance as at 01.04.2025 | 12604.57 | 0.00 | 0.00 | 0.00 | -2953.87 | 0.00 | 9650.71 |
| Additions during the year | 12737.63 | | | | -1166.52 | | 11571.11 |
| Adjustments during the year | | | | | | | 0.00 |
| Changes in accounting policy or prior period errors | | | | | | | 0.00 |
| Profit/Loss for the period | | | | | | 0.00 | 0.00 |
| Balance as at 31.03.2026 | 25342.20 | 0.00 | 0.00 | 0.00 | -4120.39 | 0.00 | 21221.82 |

Shares to be issued against Right of Use of Land and Other Usable Assets is considered for the rights obtained at TFL sites on registration of lease deed and concession agreement with FCIL.This share is recognised equivalent to 4.45% of Total Paid Up Equity Share Capital considering the share capital already held by CIL, GAIL and RCF on 31.03.2026 as 95.55% (Note-13).

Equity shares for settlement of the same will be issued in future as per terms of Joint Venture Agreement.

Balance liability to be discharged by way of lease rent and equity shares (out of total lease liability) is shown under Other Financial Liabilities (Note- 16).

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

# TALCHER FERTILIZERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 15: BORROWINGS

(Rs. in Lakh)

| | As at | |
|---|---|---|
| | 31.03.2026 | 31.03.2025 |
| **Non-Current** | | |
| Term Loans -From Banks | 3,85,876.00 | 4,24,022.00 |
| -From Other Parties | | |
| Loan from Related Parties | | |
| **Total** | **3,85,876.00** | **4,24,022.00** |

| | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Current** | | |
| Loans repayable on demand -From Banks | | |
| - Bank Overdrafts | | |
| - Other Loans from banks | | |
| -From Other Parties | | |
| Loan from Related Parties | | - |
| Current Maturities of Long Term Borrowings | | |
| **Total** | - | - |

**Note:**

1.During the FY 2025-26 previous Loan Agreement of Rs. 9560.00 Crores has been closed with settlement of outstanding loan of Rs. 4501.61 crore. The fresh debt Loan Agreement for Rs. 12,250.06 Crore has been signed on 26th September 2025 with Consortium of 10 lenders led by SBI.

2.During the FY 2025-26 company has taken short term loan from its promoters and from National Small Savings Fund (NSSF). The details are as under

In Lakhs

| Name of the Lender | Loan Amount |
|---|---|
| Coal India Limited (CIL) | 100000.00 |
| GAIL India Limited (GAIL) | 99000.00 |
| Rashtriya Chemicals and Fertilizers Limited (RCF) | 23300.00 |
| Fertilizers Corporation of India Limited (FCIL) | 14200.00 |
| National Small Savings Fund (NSSF) | 30000.00 |
| **Total** | **266500.00** |

**TFL repaid the short term loan with interest rate of six month MCLR + 0.65% p.a before Dec-25.**

3.Borrowings have been used for the project construction activities for which it was taken.

# TALCHER FERTILIZERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE - 16 : LEASE LIABILITIES

(Rs. in Lakh)

| | As at | |
|---|---|---|
| | **31.03.2026** | **31.03.2025** |
| **Non Current** | | |
| Non - Current Finance Lease Liabilities | 4,981.93 | 17,719.74 |
| **TOTAL** | **4,981.93** | **17,719.74** |
| | | |
| **Current** | | |
| Current Finance Lease Liabilities | 6.00 | 5.00 |
| **TOTAL** | **6.00** | **5.00** |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

# TALCHER FERTILIZERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 17 : OTHER FINANCIAL LIABILITIES

(Rs. in Lakh)

| | As at 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Non Current** | | |
| Security Deposits | | |
| Liability for employee benefits | | |
| **TOTAL** | - | - |
| | | |
| **Current** | | |
| Interest accrued on Loan | - | - |
| Security Deposits | 116.37 | 82.51 |
| Retention Money | 30,940.34 | 45,359.46 |
| Earnest Money | 46.92 | 1.58 |
| **Payable for Capital goods,Services and Others** | | |
| Non MSME | 17,418.83 | 28,256.23 |
| MSME | 1,652.69 | 985.36 |
| Provision for Expenses Payable | 275.27 | 176.69 |
| Liability for Employee Benefits | 46.41 | 45.19 |
| Liability for Salary and other benefits of JV Promoters | 3,006.48 | 1,806.38 |
| Others | 1.44 | 1.16 |
| **TOTAL** | **53,504.75** | **76,714.56** |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

TALCHER FERTILIZERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

## NOTE - 18 : PROVISIONS

(Rs. in Lakh)

| | As at 31.03.2026 | 31.03.2025 |
|---|---|---|
| **Non Current** | | |
| **Employee Benefits:** | | |
| Gratuity | 23.55 | 13.08 |
| Leave Encashment | 43.89 | 24.82 |
| Post Retirement Medical Benefits | | |
| Other Employee Benefits | 1.46 | 1.46 |
| Enterprise Social Commitment | 47,656.00 | 42,702.00 |
| **TOTAL** | **47724.90** | **42741.36** |
| **Current** | | |
| **Employee Benefits:** | | |
| Gratuity | 0.07 | 0.04 |
| Leave Encashment | 4.66 | 2.15 |
| Post Retirement Medical Benefits | | |
| Other Employee Benefits | 128.12 | - |
| Enterprise Social Commitment | | |
| **TOTAL** | **132.85** | **2.19** |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

**TALCHER FERTILIZERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE - 19 :OTHER NON CURRENT LIABILITIES**

(Rs. in Lakh)

| | As at | |
|---|---|---|
| | **31.03.2026** | **31.03.2025** |
| Deferred Income | 0.00 | **0.00** |
| Others | | |
| **Total** | - | - |

**TALCHER FERTILIZERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE - 19 : OTHER CURRENT LIABILITIES**

(Rs. in Lakh)

| | As at | |
|---|---|---|
| | **31.03.2026** | **31.03.2025** |
| Statutory Dues | | |
| - TDS | 547.93 | 751.01 |
| - GST TDS | 86.52 | 93.85 |
| - GST payable | 20.79 | 20.12 |
| - BOCW Cess | 37.77 | 59.07 |
| - Professional Tax payable | -0.04 | 0.07 |
| **TOTAL** | **692.97** | **924.12** |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

## TALCHER FERTILIZERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

### NOTE - 20 : TRADE PAYABLES

(Rs. in Lakh)

| | As at 31.03.2026 | 31.03.2025 |
|---|---|---|
| Micro, Small and Medium Enterprises | 33.60 | 18.67 |
| Other than Micro, Small and Medium Enterprises | 88.68 | 59.20 |
| **TOTAL** | **122.28** | **77.87** |

| Trade payables -Total outstanding dues of Micro & Small enterprises | | |
|---|---|---|
| a) Principal & Interest amount remaining unpaid but due thereon as at period end | 33.60 | |
| 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. | | |
| 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. | | |
| d) Interest accrued and remaining unpaid as at period end | | |
| 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. | | |

**Trade Payables aging schedule**

| 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 | 33.60 | | | | 33.60 |
| (ii) Others | 38.36 | | | | 38.36 |
| (iii) Disputed dues - MSME | | | | | - |
| (iv)Disputed dues - Others | | | | 50.32 | 50.32 |
| (v)Unbilled dues | | | | | - |
| **Total** | 71.96 | - | - | 50.32 | 122.28 |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

# TALCHER FERTILIZERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS
## NOTE - 21 : REVENUE FROM OPERATIONS

(Rs. in Lakh)

| | For the Year Ended 31.03.2026 | For the Year Ended 31.03.2025 |
|---|---|---|
| Sale of Goods | 0.00 | 0.00 |
| **TOTAL** | **0.00** | **0.00** |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

TALCHER FERTILIZERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS
## NOTE 22 : OTHER INCOME

(Rs. in Lakh)

| | For the Year Ended 31.03.2026 | For the Year Ended 31.03.2025 |
|---|---|---|
| Interest on Equity Contribution deposited with Banks | 660.64 | 1,281.37 |
| LD/PRS | 0.91 | 0.11 |
| Interest Income From TDS Refund | 17.18 | 4.53 |
| Rent Income | 24.38 | - |
| Misc. income | 4.93 | 2.27 |
| **TOTAL** | **708.04** | **1,288.28** |

Note-

1. Income generated from investment of equity funds is charged to P&L as Other Income.

2.Interest earned on temporary parking of borrowed funds in form of deposits with bank is transffered to borrowing cost and net borrowing cost is transffered to CWIP.

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

**TALCHER FERTILIZERS LIMITED**

## NOTES TO THE FINANCIAL STATEMENTS
## NOTE 23: DEPRECIATION AND AMORTIZATION EXPENSE

(Rs. in Lakh)

| | For the Year Ended 31.03.2026 | For the Year Ended 31.03.2025 |
|---|---|---|
| On Property Plant and Equipment | 974.09 | 870.78 |
| On Intangible Assets | | |
| On Right of Use Assets | 608.26 | 2,538.02 |
| **SUB-TOTAL** | **1,582.35** | **3,408.80** |
| | | |
| Less:Transferred to EDC | 1,448.13 | 3,298.74 |
| TOTAL | **134.22** | **110.06** |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

## TALCHER FERTILIZERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS
### NOTE 24 : EMPLOYEE BENEFITS EXPENSES

(Rs. in Lakh)

| | For the Year Ended 31.03.2026 | For the Year Ended 31.03.2025 |
|---|---|---|
| **A.Salary and other benefits TFL on Roll** | | |
| Salary, Wages, Allowances ,Bonus etc. | 108.02 | 110.45 |
| Contribution to P.F. & Other Funds | 9.70 | 10.29 |
| Acturial Expenses | 6.07 | 6.70 |
| Medical Expenses for existing employees | 3.85 | 8.88 |
| Other Employee Benefits | 17.66 | 0.46 |
| **Total A** | **145.30** | **136.78** |
| **B.Salary and other benefits of JV Promoters** | | |
| For Employees of CIL/GAIL/RCF | 425.03 | 330.18 |
| **Total B** | 425.03 | 330.18 |
| **Total (A+B)** | **570.33** | **466.96** |

1. The Company has employees on deputation from CIL, GAIL and RCF. Deputation cost is being reimbursed and GST on deputation cost is being reimbursed to these companies on lhe basis of lax invoice, whoever has claimed

2.Salary & Other benefits of employees of JV promoters and TFL except MD, CS , HR & Finance is charged to Expenditure during construction.

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

## TALCHER FERTILIZERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS
### NOTE 25 : OTHER EXPENSES

(Rs. in Lakh)

| Particulars | For the Year Ended 31.03.2026 | For the Year Ended 31.03.2025 |
|---|---|---|
| ACF/AMC of NSDL & NDML | 0.75 | 0.80 |
| Auditor's Remuneration & Expenses | | |
| For Statutory Audit Fees | 1.37 | 1.25 |
| For Internal Audit Fees | 1.49 | 1.81 |
| For Reimbursement of Expenses | 1.06 | 1.33 |
| Advertisement Expenses | 1.89 | 0.00 |
| Appeal Filing Fee | 0.10 | 0.00 |
| Bank charges | 12.80 | 2.30 |
| Canteen expenses | 0.00 | 2.78 |
| Consultancy Expenses | 1.10 | 33.52 |
| Postal/Courier charges | 0.27 | 0.38 |
| Electricity Exp | 42.02 | 49.01 |
| Water Tanker Expenses | 5.92 | 0.00 |
| Telephone and internet Expenses | 1.92 | 17.32 |
| Professional Fee | 17.57 | 17.96 |
| Legal Fee | 2.87 | 57.99 |
| Meeting Expenses | 2.14 | 0.73 |
| Misc Expenses | 42.00 | 25.79 |
| Office rent - Bhubaneswar | 2.86 | 1.84 |
| Office rent - Noida-Prior Period | 0.00 | 8.15 |
| Office rent - IDCO | 45.99 | 45.99 |
| Printing & Stationary | 6.31 | 11.73 |
| Recruitment Expenses | 12.38 | 0.06 |
| Repair and Maintenance | 70.73 | 17.60 |
| Stamp Duty | 13.70 | 1.53 |
| Support Office Staff Services | 71.31 | 57.42 |
| Sitting Fee | 0.00 | 1.50 |
| Travelling Expenses | 46.42 | 19.18 |
| Training Expenses | 5.43 | 0.50 |
| Upkeep and Cleaning Expenses | 150.33 | 58.92 |
| Unutilized GST inputs | 611.77 | 0.00 |
| Outsourcing Agent of Payroll | 0.00 | 0.60 |
| **TOTAL** | **1172.50** | **437.99** |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

| Annexure to Notes | |
|---|---|

(Rs. in Lakh)

0.00

| Note-4-Other -Offsite Facilities | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Civil & Structural Work of Bagging Building Etc | 26666.07 | 20368.70 |
| Cooling Tower | 2730.65 | 949.17 |
| Fire Fighting System | 4756.04 | 3632.33 |
| Flare Combustion-Airoil Flaregas Pvt Ltd | 9853.40 | 4873.35 |
| Instrument Air & Plant Air System | 4726.37 | 1822.21 |
| Raw water Pipeline | 5085.29 | 3688.45 |
| Road Lighting | 0.00 | 542.35 |
| Supply & Construction of Ash Pond | 3638.56 | 1682.08 |
| Urea Handling & Bagging Package | 11058.15 | 7280.03 |
| Yard Piping | 8912.19 | 3601.53 |
| Coal/Petcoke/Limestone Handling Plant | 35587.00 | 13876.24 |
| Construction of 2x33 KV OverheadLine-Gayatri Agency | 943.78 | 695.93 |
| Supply Cum E&I work-Sopan | 1542.32 | 403.11 |
| Renovation of CISF Barrack & Cons of New Quarter | 602.57 | 106.54 |
| 220 KV Switching Substation | 3243.63 | 30.53 |
| Supply cum Erection of Electrical works CISF Barrack | 679.98 | 45.08 |
| Supply & Installation of Emergency DG system | 1242.77 | 855.72 |
| Supply of 220 KVD/C SINGLE CORE1000 SQ.MM | 959.50 | 813.14 |
| **Total** | **122228.27** | **65266.49** |
| **As per Note-4** | **122228.27** | **65266.49** |
| **Diff.** | **0.00** | **0.00** |

NOTE - 8 : OTHER FINANCIAL ASSETS

| Current | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Security Deposit-Anugul Irrigation Division | 13.87 | 13.87 |
| Security Deposit Given-IDCO | 22.99 | 22.99 |
| Security Deposit Given to TPCODL/CESU | 11.47 | 11.47 |
| Security Deposit to Water Resource Department | 45.00 | 45.00 |
| Security Deposit- FA & CAO East Coast Railway | 10.00 | 10.00 |
| **Total** | **103.33** | **103.33** |
| **As per Note-8** | **103.33** | **103.33** |
| **Diff.** | **0.00** | **0.00** |

| Non-Current | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Security Deposite Given-Account Officer(Recovery) | 256.31 | 256.31 |
| Security Deposit for GSA-GAIL INDIA LTD | 27.71 | 27.71 |
| Security Deposit Given-RWSS Division | 1.11 | 1.11 |
| Security Deposit Given TPCODL | 53.10 | 53.10 |
| Security Deposit-NDML | 0.10 | 0.10 |
| Security Deposit-NSDL | 1.50 | 1.50 |
| Security Deposit-Pradhan GAS | 0.05 | 0.00 |
| **Total** | **339.88** | **339.83** |
| **As per Note-8** | **339.88** | **339.83** |
| **Diff.** | **0.00** | **0.00** |

| NOTE 15: BORROWINGS | 31.03.2026 | 31.03.2025 |
|---|---|---|
| **TERM LOAN (SECURED)** | | |
| Bank of Maharastra | 13660.00 | 22526.00 |
| Punjab National bank | 40981.00 | 67581.00 |
| Bank of India | 27205.00 | 44851.00 |
| Canara Bank | 27315.00 | 42079.00 |
| EXIM Bank | 10265.00 | 16895.00 |
| Indian Bank | 27315.00 | 45055.00 |
| State Bank Of India | 65332.00 | 107679.00 |
| Union Bank of India | 34151.00 | 56317.00 |
| Indian Overseas Bank | 13660.00 | 21039.00 |
| IRFC | 125992.00 | 0.00 |
| **TOTAL** | **385876.00** | **424022.00** |
| **As per Note-15** | **385876.00** | **424022.00** |
| **Diff.** | **0.00** | **0.00** |

| NOTE 9 :Ageing of Capital Advances | 31.03.2026 | 31.03.2025 |
|---|---|---|
| Less than 3 Months | 34.22 | 152.13 |
| 3-6 Months | 1714.83 | 314.94 |
| 6 Months-1 Year | 57.74 | 0.00 |
| 1 Year-2 Year | 152.13 | 729.01 |
| 2-3 Year | 237.11 | 44.59 |
| More than 3 Years | 917.93 | 479.41 |
| **Total** | **3113.96** | **1720.08** |
| **As per Note-9** | **3113.96** | **1720.08** |
| **Diff.** | **0.00** | **0.00** |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

Talcher Fertilizers

## Note-26 Additional Notes to Standalone Financial Statements

### 1. Earnings per share

(Amount in ₹ lakhs)

| Sl. No. | Particulars | For Year ended on 31.03.2026 | For Year ended on 31.03.2025 |
|---|---|---|---|
| i. | Net Profit after tax attributable to Equity Share Holders | (1166.52) | 246.94 |
| ii. | Weighted average no. of equity shares outstanding | 4,75,77,06,200 | 2,66,59,26,412 |
| iii. | Basic & Diluted Earnings per share (In Rs.) (Face value Rs. 10/- per share) | (0.02) | 0.01 |

### 2. Capital Commitment

**A.**

(Amount in ₹ lakhs)

| | As at 31.03.26 | As at 31.03.25 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not Provided For | 476671.54 | 6,09,887.21 |

*Including GST

**B.** The Company has awarded two major contracts for setting up the plant i.e. Coal Gasification plant and Ammonia Urea. The total contract value and balance commitment as on 31.03.2026 are tabulated below:

| Particular | USD Portion of contracts | | INR portion of Contracts (In Rs Lakhs) | | Total INR in Lakhs |
|---|---|---|---|---|---|
| | USD in million | USD Converted in INR (In Rs lakh) | Basic | Taxes | |
| **Coal Gasification Plant** | | | | | |
| Total Contract Value | 292.65 | | 251373.72 | 89866.93 | |
| Balance Commitment value | 123.36 | 116781.32 | 122338.89 | 34071.29 | **273191.50** |
| | | | | | |
| **Ammonia-Urea Plant** | | | | | |
| Total Contract Value | 148.10 | | 99710.24 | 41321.15 | |
| Balance Commitment value | 47.08 | 44571.65 | 55528.11 | 13965.42 | **114065.18** |
| | | | | | |

Liabilities involved foreign currency exposure as on 31.03.2026 of LSTK Contracts are provided below:

| Particular | Amount in USD (in million) | | Amount converted in Rs lakhs | |
|---|---|---|---|---|
| | Ammonia-Urea Plant | Coal Gasification Plant | Ammonia-Urea Plant | Coal Gasification Plant |
| Liability amount as on 31.03.2026 | 0.12 | 2.59 | 111.10 | 2455.54 |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

3. **Enterprise Social Commitment (ESC) Cost**

In the FY 2023-24 provision for ESC was provided for Rs.427.02 Crore i.e 2.5% of the approved revised project Cost.

In compliance to Environment clearance accorded by Ministry of Environment, Forest and Climate Change earmarking 2.5% of the project capital cost towards ESC.

The Additional provision for ESC @ 2.5% of Project Cost amounting to ₹ 4954.00 lakhs has been provided during the FY 2025-26 on account of revision in the project cost.

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 is expected to be incurred during the construction period.

4. **Corporate Social Responsibility (CSR)**

CSR policy is applicable on the company. Due to losses incurred in the preceding years no obligation in respect of this section arises on the company for the Financial Year 2025-26. 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.

5. **Balance Confirmation**

The company has a procedure for obtaining periodic confirmation of balances from banks. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & Financial institution. With regard to the other party reconciliations are made and the balance confirmation letters/emails are also sent on a periodic basis. In case where balance confirmation has not been obtained, book balance has been taken.

6. **Information in respect of micro and small enterprises as at 31st March 2026 as required by Schedule III to the Companies Act, 2013 and Micro, Small and Medium Enterprises Development Act, 2006.**

There is no delay in payment due to the Micro, Small and Medium Enterprises as at the end of the reporting period.

**Details of MSME**

(Amount in ₹ lakhs)

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| Trade Payable - Total outstanding dues of Micro & Small enterprises | 33.60 | 9.23 |
| Other Trade Payables -for capital expenditure-MSME | 1652.69 | 2.13 |
| Principal & Interest amount remaining unpaid but not due as at period end | Nil | Nil |
| 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 |
| 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 | | |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

| | | |
|---|---|---|
| without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006. | Nil | Nil |
| Interest accrued and remaining unpaid as at period end | Nil | Nil |
| 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 |

7. **Revised Project cost and Means of Finance.**

TFL Board in its 115th meeting approved revised Project Cost of Rs. 19,062.22 crore with Scheduled Commercial Operations by 31st December 2027. The project cost is proposed to be funded through sanctioned Rupee Term Loan of Rs.12,250.06 crore by Banks and Equity commitment of Rs.6,812.16 Crore by Promoters. i.e., in Debt-Equity Ratio of 64.26:35.74.

The loan amount is to be disbursed by consortium banks (10 Nos.). The interest rate of loan is 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.

Details of cost overrun is stated below: -

Rs. In crore

| Description | Original | Revised Cost | Further Revised Cost |
|---|---|---|---|
| Project Cost | 13,277.21 | 17,080.69 | 19,062.22 |
| Total Debt | 9,559.59 | 10,268.53 | 12,250.06 |
| Total Equity | 3,717.62 | 6,812.16 | 6,812.16 |

The outstanding loan balance as on 31.03.2026 is Rs.3858.76 crore.

There is no Major impact on the ability of the company as a going concern.

8. **Related Party Disclosure as per Ind AS 24:**

Related parties -

| Sl. No. | Name of the related party | Description of relationship |
|---|---|---|
| 1 | Coal India Limited | Joint venture partner |
| 2 | GAIL India Limited | |
| 3 | Rashtriya Chemical & Fertilizers Limited | |
| 4 | Fertilizer Corporation of India Limited | |
| | **Key Management Personnel** | |
| 5 | Shri V. K. Srivastava | Managing Director |
| | Shri Shyamal Roy | Director (Operations) |
| | Mrs. Ambati Lakshmi Prabha | Director (Finance) |
| | Shri Rahul Kumar Tiwari | Company Secretary |
| | Shri. Dinesh Singh Jhala | Company Secretary |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

## TALCHER FERTILIZERS LIMITED

A. Transactions during the year with the Joint Venture Partner:

(Amount in ₹ lakhs)

| Cost of salary and travelling exp etc. of employees/advisors: | For the FY 25-26 | For the FY 24-25 |
|---|---|---|
| a) Coal India Limited | 317.72 | 269.78 |
| b) GAIL India Limited | 699.77 | 729.95 |
| c) Rashtriya Chemical & Fertilizers Limited | 545.40 | 530.12 |
| **TOTAL** | **1538.05** | **1529.85** |

| Cost of rent and electricity for office space: | For the FY 25-26 | For the FY 2024-25 |
|---|---|---|
| a) Coal India Limited | 0.00 | 0.00 |
| b) GAIL India Limited | 0.00 | 8.15 |
| c) Rashtriya Chemical & Fertilizers Limited | 2.17 | 2.25 |
| d) FCIL | 1.00 | 0.00 |
| **TOTAL** | **3.17** | **10.40** |

| Other expenses: | For the FY 25-26 | For the FY 24-25 |
|---|---|---|
| a) Coal India Limited | 0.00 | 0.00 |
| b) GAIL India Limited | 0.00 | 0.00 |
| c) Rashtriya Chemical & Fertilizers Limited | 0.00 | 4.10 |
| **TOTAL** | **0.00** | **4.10** |

B. Inter Corporate loan Received during the FY 2025-26.

(Amount in ₹ lakhs)

| Sl. No | Name of Promoters | Loan amount | Interest paid |
|---|---|---|---|
| 1 | a) Coal India Limited | 100000.00 | 4487.12 |
| 2 | b) GAIL India Limited | 99000.00 | 4364.54 |
| 3 | c) Rashtriya Chemical & Fertilizers Limited | 23300.00 | 1045.50 |
| 4 | d) FCIL | 14200.00 | 641.89 |
| | **TOTAL** | **236500.00** | **10539.05** |

During FY 2025-26 TFL availed Inter Corporate Loan of Rs. 2,365.00 Crores from Promoters to part fund the Project cost which is proposed to be repaid within 6 months of disbursement of loan (i.e., before 31st December 2025)

TFL repaid the entire inter corporate loan with interest rate of six-month MCLR + 0.65% p.a.

C. Transactions during the year with the Key Managerial Personnel:

(Amount in ₹ lakhs)

| Names with Designation: | Remuneration for the Year ended on 31.03.2026 | Remuneration for the Year ended on 31.03.2025 |
|---|---|---|
| a) Shri Vivek Srivastava – Managing Director | 82.09 | 66.63 |
| b) Shri Shyamal Roy (Director Operations) | 103.27 | 97.92 |
| c) Ms. Ambati Lakshmi Prabha (Director Finance) | 43.24 | 40.47 |
| d) Shri M. Viswanathan – Company Secretary (Out Going) | 0.00 | 4.66 |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

| | | |
|---|---|---|
| e) Shri Rahul Kumar Tiwari – Company Secretary | 11.28 | 13.75 |
| f) Shri Dinesh Singh Jhala – Company Secretary W.e.f 19.02.26 | 3.65 | 0.00 |
| | | |

D. **Outstanding balances with JV Promoter:**

(Amount in ₹ lakhs)

| JV promoter | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| a) Coal India Limited | 193.60 | 186.65 |
| b) GAIL India Limited | 1235.34 | 747.10 |
| c)Rashtriya Chemical & Fertilizers Limited | 1577.54 | 872.64 |
| d) Fertilizers Corporation of India Limited | 5.00 | 4.00 |

9. **Disclosures as per IND-AS-19 "Employee Benefits"**

**Defined Benefit Plans:**

**a) Gratuity**

Gratuity is payable at a rate of 15 days emoluments (Basic Pay+ DA) for each completed year of service or part thereof in excess of 6 months. Gratuity will be calculated by dividing emoluments last drawn by 26 days and multiplying the result with the number of years of service, limited to Rupees twenty-five lac (Rs.20 Lakhs prior to October 01,2025). The defined benefit obligation is calculated at each reporting date by actuaries using the projected unit credit method.

**b) Post-Retirement Medical Benefit**

During the FY 2025-26 Board has approved post-retirement medical benefit scheme to provide Medicare on account of retirement on attaining the age of superannuation.

**Defined Contribution Plans:**

**a) Provident Fund:**

The Provident Fund contributions are made by the Company to Employee Provident Fund Organization as per regulations. The obligation of the Company is limited to the amount contributed and it has neither contractual nor any constructive obligation.

**b) Pension Fund:**

Company has defined contribution scheme, where obligation of the company is to contribute 14 % of Basis Pay and DA of eligible employees to National Pension Scheme and LIC pension. The scheme will be funded through trust for group, maintained with State bank of India Pension Fund and Life Insurance Corporation.

**Other Long-Term Employee Benefits:**

**Leave Encashment:**

Employees are entitled to 30 days Earned leave with full pay and allowances. Earned leave (EL) is encashable while in service. Encashment subject to limit of 180 days can

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

be allowed up to 75% of EL standing to the credit of employee. Encashment will be computed on Monthly Basic Pay+DA divided by 30 multiplied by number of days to be encashed. Accumulation of EL shall be limited to 300 days. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation.

**10. Disclosure of Financial Assets and Liabilities as Per Ind AS 107.**

(Amount in ₹ lakhs)

| | As at 31.03.2026 | | As at 31.03.2025 | |
|---|---|---|---|---|
| | FVTPL | Amortized Cost | FVTPL | Amortized Cost |
| **Financial Assets:** | | | | |
| Cash & Cash equivalents | - | 22464.73 | - | 11572.62 |
| Other Bank Balances | - | 1025.06 | - | 265.59 |
| Other Financial Assets | - | 455.39 | - | 444.51 |
| **Financial Liabilities:** | | | | |
| Borrowings | - | 385876.00 | - | 424022.00 |
| Trade payables | - | 122.28 | - | 77.87 |
| Lease Liabilities | | 4987.93 | | 17724.74 |
| Other Financial Liabilities | - | 53504.75 | - | 76714.56 |

**11. Contingent Liabilities and Pending Litigation**

**A. List of Disputed Statutory Dues:**

(Amount in ₹ lakhs)

| | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| **Demands raised by various authorities** | | |
| GST | 1765.11 | 0.00 |

Order under Section 74 has been issued by the GST Authorities. The Company is examining the order and appeal is being filed / initiated within the prescribed time limit.

**B. Other Pending Litigation:**

(Amount in ₹ lakhs)

| NAME OF PARTY | PENDING BEFORE | CASE NO. OR PETITION NO. | NATURE OF CLAIM | RELIEF CLAIMED | PRESENT STATUS |
|---|---|---|---|---|---|
| M/s. Green Energyz | Arbitration, DIAC | DIAC/7322/12-23 | Arbitration | Claimants Claim -Rs. 240.33 Lakh Counter Claim filed by TFL Rs. 167.52 Lakh | Pending with Arbitrator |
| Schneider Electric India Private | Arbitration, DIAC | ARB.P. 17/2025 | Arbitration | No statement of claim filed | Petition was disposed of by the Delhi |

| | | | | | |
|---|---|---|---|---|---|
| Limited | | | | yet against TFL. | High Court and referred to DIAC. |
| Sarjan Infracon Pvt. Ltd | Arbitration, DIAC | DIAC/11559/09-25 | Arbitration | Claimants Claim Rs.6118.02 lakh Counter Claim filed by TFL Rs.1627.00 Lakh | Pending with Arbitrator |
| Gurumaharaj Engicon Pvt. Ltd | Petition | Arb P. No. 355/2026 | Arbitration | Section 11 petition filed for appointment of arbitrator | The matter was duly adjourned to 24.04.2026. |

12. **Hedging Policy:**

TFL implemented foreign exchange risk management policy. As per the policy, 50% of its foreign currency exposure is hedged for one Year based on the upcoming contractual payments in the ongoing contracts executed for the construction of the project.

The Position of Foreign Currency Exposures as on 31.03.2026 are as Under:

(Amount in ₹ lakhs)

| Hedged Exposure | Cross Currency | As on 31.03.2026 | As on 31.03.2025 |
|---|---|---|---|
| Liabilities against Capital Expenditure | USD | 2566.64 | 1053.03 |

13. **Details of Capital-Work-In Progress (CWIP)**

A. Aging schedule for **Capital-Work-In Progress**

(Amount in ₹ lakhs)

| | Amount in CWIP as at 31st March 2026 | | | | |
|---|---|---|---|---|---|
| **CWIP** | **Less than 1 Year** | **1-2 Years** | **2-3 Years** | **More than 3 Years** | **Total** |
| **Major Projects** | | | | | |
| Coal Gasification Plant | 91844.99 | 28150.34 | 73960.01 | 127544.63 | 321499.97 |
| Ammonia Urea Plant | 43580.83 | 12937.83 | 36517.45 | 60131.39 | 153167.50 |
| Steam Gas Generation | 31939.39 | 26397.20 | 32762.30 | 15515.74 | 106614.63 |
| Other Projects | 135900.89 | 108947.44 | 115718.36 | 49170.78 | 409737.46 |
| **Project temporarily Suspended** | - | - | - | - | - |
| **Total** | **303266.10** | **176432.81** | **258958.11** | **252362.54** | **991019.56** |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

| CWIP | Amount in CWIP as at 31st March 2025 | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| **Major Projects** | | | | | |
| Coal Gasification Plant | 28150.34 | 73960.01 | 53819.46 | 73725.17 | 229654.98 |
| Ammonia Urea Plant | 12937.83 | 36517.45 | 22150.82 | 37980.57 | 109586.67 |
| Steam Gas Generation | 26397.20 | 32762.30 | 15515.74 | 0 | 74675.24 |
| **Other Projects** | 108947.44 | 115718.36 | 22209.23 | 26961.56 | 273836.58 |
| **Project temporarily Suspended** | - | - | - | - | - |
| **Total** | **176432.81** | **258958.11** | **113695.25** | **138667.30** | **687753.47** |

B. Details of capital-work-in progress completion schedule, whose completion is overdue or has exceeded its cost compared to its original plan.

(Amount in ₹ lakhs)

| CWIP | To be Completed in | | | |
|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years |
| **Major Projects** | | | | |
| Coal Gasification Plant | 1,50,545.00 | 1,22,646.50 | - | - |
| Ammonia Urea Plant | 58,040.60 | 56,024.58 | - | - |
| Steam Gas Generation | 23267.97 | - | - | - |
| Other Projects | 66146.89 | | | - |
| **Total** | **298000.46** | **178671.08** | - | - |

14. **Analytical Ratios**:

Amount in ₹ lakhs

| Ratio | Numerator | Denominator | Year ended on 31.03.2026 | Year ended on 31.03.2025 | Variance % |
|---|---|---|---|---|---|
| (a) Current Ratio | 24,990.51 | 54,458.85 | 0.46 | 1.45 | (68.43) |
| 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. | | | | | |
| (b) Debt-Equity Ratio | 3,85,876.00 | 5,44,145.93 | 0.71 | 1.57 | (54.74) |
| 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 | NA | NA | NA | NA | NA |
| 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 | (1166.52) | 4,22,831.57 | (0.28) | 0.10% | (390.18) |

| | | | | | |
|---|---|---|---|---|---|
| Equity ratio | | | | | |
| 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<br>Reason for high variance: During current period, there increase in loss has resulted in positive variance. | | | | | |
| (e)Inventory turnover ratio | NA | NA | NA | NA | NA |
| 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 | NA | NA | NA | NA | NA |
| 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 | NA | NA | NA | NA | NA |
| 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 | | | | | |
| (h) Net capital turnover ratio | NA | NA | NA | NA | NA |
| 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 | NA | NA | NA | NA | NA |
| Net profit as a percentage of Net Sales. | | | | | |
| (j) Return on Capital Employed | (1169.01) | 9,51,243.75 | (0.12) | 0.04 | (416.74) |
| Earnings before interest and tax (EBIT) / Capital employed, where capital employed is total of Assets - current liabilities | | | | | |
| (k) Return on Investment | (1166.52) | 5,65,367.75 | (0.21) | 0.09% | (334.20) |
| Profit after tax (PAT)/ Equity. Where Equity is total of share capital and other equity of the company. | | | | | |

15. The Company is in possession of following fund based/non-fund-based CPS received from suppliers/contractors/customers, etc. which has not been accounted for.

| Sl. No. | Nature of Security | As at 31.03.2026 | | As at 31.03.2025 | |
|---|---|---|---|---|---|
| | | INR In Lakh | USD in Million | INRIn Lakh | USD in Million |
| 1 | Bank Guarantee | 78265.96 | 80.91 | 80354.78 | 87.82 |

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

| | | | | | |
|---|---|---|---|---|---|
| 2 | Letter of Credit | - | - | - | - |
| 3 | FDR/TDR | 19.73 | - | 16.69 | - |

**16. Concession Agreement (CA) with FCIL:**

A) The addendum to Concession Agreement (CA) was signed on 03-04-2024 for the Facility Area measuring 870.95 acres with FCIL. Out of total Land approx. 1.54 acres is under encroachment for which necessary action is currently underway. The sub lease deed was executed in the FY 2024-25.

B) As per JV agreement with FCIL,in consideration of granting the Concession to the Facility Area, transfer of usable assets, land use and opportunity cost and related infrastructure to the Concessionaire, the equity holding of FCIL in the Joint Venture Company (JVC) will always be 4.45% of the total paid up equity capital of the JVC (portion of the capital expenditure of the Project) progressively in phases to the extent other JV promoters are issued equity shares in consideration of contribution made by them towards equity capital in cash, such that over a period of time the equity holding of FCIL in the JVC is 4.45% at the time of commencement of the commercial production of the Project.

C) Accordingly, right of use for land and other usable assets is recognized with corresponding lease liabilities shown under Financial Liabilities and Other Equity/Equity.

**17. Security Perfection:**

TFL has executed the facility agreement for Rupee term loan of Rs. 12,250.06 crore dated Sep 26, 2025. As a part of the legal due diligence TFL was required to create, perfect, register and maintain the security, as envisaged under the facility agreement.

The Company has submitted a representation to the relevant authorities seeking a waiver of stamp duty. The management is hopeful for a positive outcome on the request submitted for grant of waiver. Accordingly, no provision for stamp duty has been considered necessary at this stage.

**18 Reconciliation between ITC as per GSTR 3B and as per account**

(Amount in ₹ lakhs))

| Sl. No | Particulars | Amount |
|---|---|---|
| 1 | GST Receivable as per Accounts | 1156.56 |
| 2 | GST Receivable as per GST Portal | 1156.56 |

Due to the inverted duty structure applicable to the Company, unutilized input tax credit (ITC) under Goods and Services Tax (GST) has accumulated. Based on management's assessment of recoverability, such unutilized ITC has been appropriately accounted for, with the portion attributable to capital items being capitalized as part of the cost of respective assets, and the balance, considered not recoverable, being charged to the Statement of Profit and Loss.

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

Talcher Fertilizers

**19 Urea Policy:**

Exclusive subsidy policy for Urea produced through Coal Gasification route by TFL was approved by Cabinet Committee on Economic Affairs (CCEA) on 20.04.2021 providing 12% post tax IRR on equity.

**20 Long term Coal linkage with CIL:**

Long term Coal linkage has been approved by CIL for quantity of3MMTPA.

FICC Vide reference no. FICC/CE/179/2022 Dated 27.10.2022 has informed that the feedstock assessment of 3 MTPA of coal for the fertilizer plant of Talcher Fertilizers Limited is sponsored under fertilizer priority for long term coal linkage by FICC. Department of fertilizers vide O.M No. 14023/11/2014-FP dated 01.11.2022 has forwarded the recommendation of FICC with the request to allocate 3 MMTPA of coal under long term coal linkage to TFL as assessed by TFL to ministry of Coal.

Ministry of coal has forwarded the recommendation of FICC and requested coal India to earmark the coal quantities assessed and recommended by the FICC/ Department of fertilizer for Talcher Fertilizers Limited and conclude the FSA.

**21 Gas Sale Agreement (GSA) with GAIL:**

The Talcher Fertilizers Limited (TFL) Plant envisages natural gas requirement in the Coal Gasification unit, Ammonia Urea unit & for Flare system.

Hence, Gas Sale Agreement (GSA) was signed with GAIL (India) Ltd on 15.12.2023 with average daily volume of 0.057 MMSCMD.

**22 Appointment of Internal Auditor:**

Company has appointed **Chatterjee Gazi & Associates** as internal auditor for FY 2025-26 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 crores in preceding financial year.

**23 Display of Registration GST Certificate:**

Company affixed its GST registration certificate at principal place of business along with other places of business on and from the month of June 2022.This is in compliance to 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.

**24 Display of Company Name:**

Company affixed the Name Board with all required details at registered office premises in the month of June 2022 in compliance to the 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.

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

Talcher Fertilizers

**25 Appointment of Company Secretary:**

Company has appointed Shri Dinesh Singh Jhala, as whole time Company Secretary in compliance to 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.

**26 Information required as per Schedule III of the Companies Act 2013:**

(Amount in ₹ lakhs)

| Particulars | As at 31.03.2026 | As at 31.03.2025 |
|---|---|---|
| A.CIF Value of Import | Nil | Nil |
| B. Expenditure in Foreign Currency | 46,089.18 | 12,763.05 |
| C. Value of Raw materials, Stores, Spares & Components consumed | Nil | Nil |
| D. Earning in Foreign Currency | Nil | Nil |

**27** Previous year's figures have been restated, regrouped and rearranged wherever considered necessary, in order to make them comparable.

**28** Note 1 and 2 represents Corporate Information and Material Accounting Policies respectively, note 3 to 20 form part of the Balance Sheet as at 31.03.2026 and 21 to 25 form part of Statement of Profit & Loss for the Year ended on 31st March 2026 on that date. Note 26 represents additional notes to the Standalone financial statements.

**As per our Audit Report**

**For Pratyush and Associates**
**Chartered Accountants**
**Firm Registration No. 322996E**
**CA. Pratyush Ranjan Mohanti**
**Partner**
**Membership No. 057557**

**Dated:** 08.05.2026
**Place:** Talcher

PRATYUSH & ASSOCIATES CHARTERED ACCOUNTANTS

**For and Behalf of Board of Directors**

**Talcher Fertilizers Limited**

**(Shyamal Roy)**
**DIN: 10304405**
**Director(O)**

**(Ambati Lakshmi Prabha)**
**DIN:09637525**
**Director (Fin)**

**(Vivek Srivastava)**
**MD-TFL**
**DIN:10131772**

**(Dinesh Singh Jhala)**
**Company Secretary**
**ACS-31656**