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# **Tirupati Graphite plc**

**Annual report and financial statements  
for the period ended 31 March 2018**

**Registered number: 10742540**

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## Company Information

**DIRECTORS:**

**R Kedia**  
**H K Poddar**  
**S K Poddar**  
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**REGISTERED OFFICE:**

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**COMPANY REGISTRATION NUMBER:**

**10742540**

**INDEPENDENT AUDITORS:**

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**FINANCIAL ADVISER AND**

**CORPORATE BROKER:**

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One Thomas More Square  
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## Chairman's Statement

### To the members of Tirupati Graphite Plc

I feel proud and distinguished presenting to you the maiden Annual Report of the Company, an event that goes down in our history as a major achievement. In the small span of approximately 17 months of our existence, we have embarked on the journey of value creation envisioned by our founders and are both strong and dedicated in those areas of business where we see significant long-term potential.

Value creation for Tirupati Graphite comes in many ways:

- ❖ Value creation for our planet and for the next generations:  
By developing a unique material which with exciting applications, we are contributing towards a more sustainable and greener planet for future generations to come
- ❖ Value creation for our employees:  
By providing opportunities of learning and development to inspire quality delivery on the objectives and values we strive for.
- ❖ Value creation for the local communities we operate in:  
By looking after our employees, their families and providing health care and sport centres for the local area, we are helping bring communities together and improving their general quality of life.
- ❖ Value creation for our shareholders:  
By our work and determination, we have gone from a humble start of being worth a few thousand pounds, to growing rapidly into the exciting business and network we have today.

With reference to the above, I share with you our achievements so far for reaching our goals:

1. At the onset, we embarked on the journey for developing the Company as the leader in the flake graphite sector; flake graphite being a material with diverse contributions to a sustainable globe and promising returns on investment. Energy storage, fire retardants, thermal management, other green energy applications and many more are the areas where flake graphite is a key ingredient.
2. Acquisition of the flagship Vatomina Flake Graphite project in Madagascar was concluded on 11 May 2017, 15 days after our formation, vesting unto us a fully permitted mining licence spread over 25sqkm.
3. Post completion of the acquisition, the first step was to perform a risk assessment and implement mitigation processes for future development. These processes included conducting a detailed exploration and metallurgical studies on the resource target to establish the CPR resource target we inherited.
4. A Competent Person team was engaged for the exploration and we decided to acquire our own diamond core drilling machine rather than hiring a drilling consultant.
5. I am proud to share that acquisition of the drill has led to multiple benefits:
  - a. We are drilling at an OPEX of circa £19million against circa £115million which it would have cost to hire the drilling activity.
  - b. The first target drilling activity has been completed at Vatomina and the CPR in final stages of completion. Due to owning the drilling machinery, we can keep costs to a minimum, which allows us to expand our resource inventory, while building current projects.
6. The Metallurgical tests were conducted at the Institute of Minerals & Materials Technology, (IIMT) Bhubaneswar, in coordination with Tirupati Carbons & Chemicals Private Limited (TCCPL). These have helped us restructure the Vatomina project to be developing to 60,000 TPA flake graphite output from earlier 36,000 TPA capacity plan we inherited, at an minimal CAPEX increment. The tests helped design a leaner process flow sheet than earlier planned, with reduction in estimated CAPEX per ton for setting up facilities & OPEX per ton for operating it.



## Chairman's Statement (continued)

7. After acquiring and having set the ball rolling for Vatomina, we acquired an existing operating project "Sahamamy Sahasoa", located 8 km aerially from Vatomina. Etablissement Rostaing SARL ("Rostaing"), is one of the oldest projects of flake graphite in Madagascar. As a result of this acquisition in January 2018, we:
  - a. became operational immediately from the acquisition date, and embarked on the journey of improving this operation and building it to a reasonable level in short time;
  - b. acquired an experienced in country team working in Madagascar;
  - c. acquired an additional large flake graphite resource;

This acquisition gave us the opportunity to reach early cash flow.

8. As a part of our larger group structuring plan, we successfully completed the acquisition of Tirupati Specialty Graphite Private Limited (TSG), a Company incorporated in India, TSG, which has a pilot scale under development, Fire retardants plant being set up in Patalganga, India and progressing setting up of an integrated 20,000 TPA downstream processing plant and a Graphene Technology & Research Centre. The downstream processing of Graphite adds significant value to what our Company is already producing in Madagascar.
9. At Vatomina, we have meaningfully engaged with the community from inception. A committee comprising of village representatives, the mayor of the region and the representative of Tirupati team meet periodically to table solutions with regards to villagers' concerns and settlement of land. A solution is only adopted once all parties are in agreement. As a result, the local community have benefitted from the job creation and infrastructure development provided by the Company. The local community are now assured of their earnings and exposed to better life style and infrastructure facilities. As the Company progresses, we have identified additional areas which will positively impact the local communities; i.e. through the facilitation of education, health care facilities, sports facilities etc.
10. The Company has been successful in two rounds of fundraising so far, of which the capital raised was used to cover the costs to reach our current status. We are currently taking preparatory steps in respect of admission to list on the London Stock Exchange. Given the values created by the use of funds from the first fund raise, the second fund raise was at 100% premium to the first.
11. The Company's management have been consciously focused on building a corporate image for the Group and its business ventures. We have participated in various conferences, investor events and gatherings across globe for example, the Conference of Benchmark Mineral Intelligence and Industrial Minerals and Mines & Money.

The path we have taken so far is documented in our strategic and director's report, however in the future we aim to increase the value we have created. We shall follow the principles of good governance in our management, be receptive to the dynamics of the business we are developing, continue to engage with the people around us, deliver more smiles and in the process, optimise the returns to our shareholders.

Your Board has been conscious of putting in place the principles for developing the Company for value creation. I must recognise the contribution each of the members has made to reach us where we are with constructive discussions and focused approach for the comprehensive development of the Company. It is also important to let you know that our extended management team has worked tirelessly for the Company and I can put on the record the appreciations from our auditors of the pleasant surprises that they had during their recent trip to our projects in Madagascar. I will also like to put on the record the appreciations of Mr Christian Dennis for his maiden trip to India when he had a first-hand overview of the capabilities of our largest shareholder and the support they have provided in the development of the Company.



## **Chairman's Statement (continued)**

I would also like to share that your Board has placed on record, the paramount dedication with which our Managing Director and CEO has shaped your Company in a short span of time building strategy and effecting the execution of the development of the business of the Company, leading three acquisitions to shape our business the way it has, a complete fully integrated graphite basket and each area progressing well. His efforts deserve a standing applause. I would also like to relay my dedication to making this company a success and developing it further into the leading graphite mining business we strive for.

With these short opening notes on our maiden annual report I dedicate our journey going forward to value creation for each member of our Company and the stakeholders in general.

A handwritten signature in blue ink, appearing to read "Shishir Poddar".

**Shishir Poddar**  
**Executive Chairman & Managing Director**

**19 October 2018**

**Tirupati Graphite plc**  
**Business Review**

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The capitalised terms used throughout the U.K. Report and Accounts are defined in the notes to our consolidated financial statements unless otherwise indicated. In the following text, the terms “we,” “our,” “our company” and “us” may refer, as the context requires, or collectively to Tirupati Graphite PLC (or its predecessor) and its subsidiaries.

Unless otherwise indicated, convenience translations into U.S. dollars are calculated, and operational data (including subscriber statistics) are presented, as of 31st March 2018.

In this background, we herewith present our detailed annual report to our members on Company updates.

Tirupati Graphite PLC (“TG”) is a public limited company organised under the Laws of England and Wales. It was incorporated in London on the 26 April 2017 as a public company founded by the founders of Tirupati Carbons & Chemicals (P) Ltd., India (“TCCPL”) and Optiva Securities Ltd (“OSL”), London with the vision of developing a world leading flake graphite company.

The journey was initiated by acquiring 100% equity of Mauritius registered Tirupati Resources Mauritius (TRM), founded by Tirupati Carbons and Chemicals (P) Ltd. India. TRM holds, through its Madagascar based subsidiary, Tirupati Madagascar Ventures SARL (TMV), referred to as the Vatomina Project. TG further acquired a 100% equity interest of a second operating Flake Graphite Company namely Etablissement Rostaing SARL (“Rostaing”), a private company registered in Madagascar holding the Sahamamy Sahaso Project. To complete its basket in the flake graphite value addition chain, TG has entered into an agreement for acquisition of 100% equity shares of Tirupati Specialty Graphite Private Limited, (“TSG”) which was incorporated on 20 April 2018 to carry forward the ongoing development of the manufacture of a downstream flake graphite project and graphene initiated by TCCPL.

We strive to be the benchmark in the flake graphite industry worldwide with global multi-location resources and operations; setting up state of art facilities to make products for conventional and new applications, developing technologies and expertise through design, engineering, research and development. TG has a special emphasis on applications in green energy, energy storage, composites and graphene sectors, securing the world’s needs of this critical and wonder material and maximising values for all connected.



## The Company Management Board

### **SHISHIR KUMAR PODDAR, Executive Chairman & MANAGING DIRECTOR**

Our dynamic team leader is a world recognised expert in the Flake Graphite Industry with deep understanding of technological and commercial aspects of the industry. Mr. Poddar has considerable experience spanning 22 years working with natural flake graphite in various spheres such as mining, processing and marketing of this commodity. He also has considerable expertise in financial analysis and project construction, having been the key driver for the present and planned projects. Shishir possesses skills in corporate and financial management, human resource development and capital markets and a deep insight in flake graphite applications and markets. Shishir has developed a strong understanding of the London Capital Markets and business environment including corporate governance and investor relations. As Founder and Managing Director of Tirupati India, he has been the key driver of the development of the Company's business and also the creation of the Company.

Shishir has wide contributions in the sphere of industrial policy and development, has delivered keynote addresses in various forums such as The Parliamentary Committee for Industries, India and is a member of the National Board for MSME as a Special Invitee, Government of India. Shishir has held positions and been an active contributor in various industry and trade bodies. He is widely travelled across the globe and has addressed conferences and seminars around the World on various subjects including flake graphite, sustainable development, sustainable mineral exploitation etc.

### **CHRISTIAN DENNIS, NON-EXECUTIVE DIRECTOR**

Based in London, Christian has over 30 years' experience in the London financial and capital markets. He has been in the field of Investment Banking and Broking for more than 30 years and is connected to a broad set of investors in London, Europe, Australia and Asia. Being Managing Director at Optiva Securities Ltd, Christian has steered many start-up resource companies to successfully climb the value building ladder. He brings to the Company, an enviable reach in all round development of our financial and corporate affairs, playing a pivotal role in structuring acquisitions and progress of the Company's business model.

### **HEMANT KUMAR PODDAR, NON-EXECUTIVE DIRECTOR**

Hemant has 27 years of experience in the flake graphite industry reinforcing the Company's vision to be a leading producer of flake graphite. Being extensively travelled and connected to primary users of the commodity, his contributions in building the Company have resulted in the Company's diversified global market reach. He has significantly contributed in developing the Company and been the key driver in its continued progress. He has also contributed extensively to development of trade and industry with continued involvement in trade bodies and representation in various forums.

### **RAJESH KEDIA, NON-EXECUTIVE DIRECTOR**

We were privileged to welcome Rajesh on the board from June 2018. Based in London, Rajesh has over 15 years of experience working in investment banking and investment management with extensive experience in mergers and acquisitions and capital raising. He has advised many companies on their growth plans and raising capital on the London Stock Exchange. For the past five years he is working at UK Government Investments Ltd as an Assistant Director.



**Principle activities of the group**



Tirupati  
Resources  
Mauritius

**The Vatomina Project**

Acquired under agreement executed on 11th May 2017 from Tirupati Carbons and Chemicals Private Limited

25 sqkm mining permit issued for 40 years and renewable.

Located on National Highway, 70 km from Tamatave - the main sea port of Madagascar.

Fully permitted, development ongoing as per plans.

Ongoing detailed exploration with updated CPR under completion

Project to be developed to a capacity of 60000 TPA in modules in 3 years.

**The Sahamamy Project**

Acquired under Agreement executed on 26th October 2017 from its two existing shareholders.

8 sqkm graphite mining permit for 40 years and renewable, located more or less 8 Km aerielly from Vatomina.

Current operations improved due to positive cash flow and under rebuild to nameplate 3,000 TPA capacity completion expected Q4 2018.

Project to be developed to a total capacity of 21,000 TPA over 2 years with a second 18,000 TPA plant.

Maiden JORC CPR under completion



Tirupati  
Speciality  
Graphite

**TSG Downstream Project**

To complete its basket in Flake Graphite value addition chain, TG has further entered into an agreement for acquisition of 100% equity of Tirupati Specialty Graphite Private Limited, ("TSG"), a private Indian company, to continue development of its planned downstream facilities.

Downstream Products Project  
 Initiated the development of an integrated facility for the manufacture of 20,000 TPA value added flake graphite products.  
 To be developed in two stages using a modular design to a final throughput capacity of 20,000 TPA.

High purity graphite and expandable graphite units will be set up in phase one.

Micronisation and shaping units and a second module of high purity graphite unit will be set up in phase two.

**TGMRC**

Graphene promises to be the cusp of value creation in Graphite sector. High tech applications and their development create immense values

TGMRC is a planned research and technology development centre with lab scale graphene manufacture.

It shall provide technology backbone for product and process development.

Development is planned in a model where the centre is not only self-sufficient but with potential earnings



## Strategic Targets set for development of the Company

Since our inception, we began the journey of developing the Company's stated objective of being a leading flake graphite company, fully integrated in the sector. The current group structure achieved in 17 months of our existence is a result of three acquisitions and implementation of development activities in each of these at the outset of completion of the acquisitions. In this manner, we have the Company fully prepared for a three-year development roadmap to result in:

- 81,000 tons per annum primary processed flake graphite from Madagascar
- 20,000 tons per annum downstream technology grades of flake graphite
- A technology centre manufacturing 3,000kgs of Graphene Oxide and Graphene per annum and providing a centre for development of advance materials and applications while also providing mineral processing technology backbone for our future development and growth.

The development of the projects is all in a staged modular manner, with cash flows from the following year, first development funding requirements being <40% of the total outlay over a 3 year span planned to be raised from capital markets and the rest follow on coming from the cash flows and leveraging of the same.

Our business development model is unique in many aspects and we are well prepared to take on the journey. With these introductory words, we move on to discuss in detail each of the projects and their developments.

## PROJECTS DEVELOPMENT STATUS

### THE VATOMINA FLAKE GRAPHITE PROJECT

Vatomina is the flagship primary flake graphite project of the Company, spread over an area of 25 sqkm in the known Flake Graphite deposit areas of eastern Madagascar. Post incorporation in April 2017, we entered into a binding agreement dated 11<sup>th</sup> May 2017 for acquisition of 100% equity of Tirupati Resources Mauritius from Tirupati Carbons & Chemicals (P) Ltd. (TCCPL), which in turn hold 98% equity of the project level Company Tirupati Madagascar Ventures, for a consideration of £3 million paid in equity of the Company at an issue price of £0.10 per share. Salient features of what we inherited with this acquisition are as below:

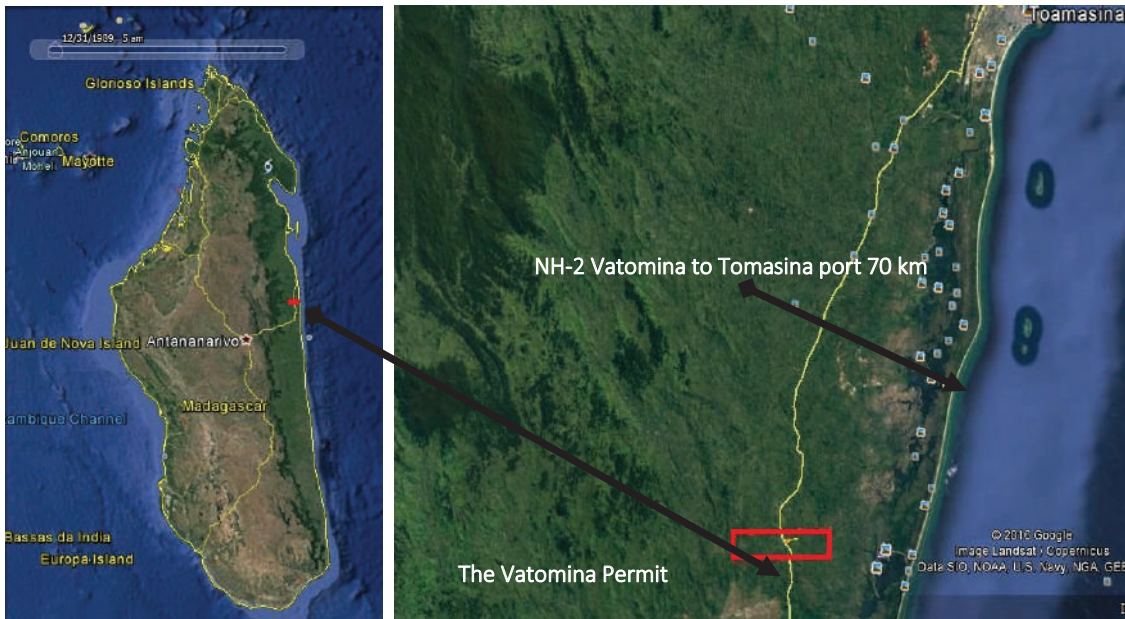
- A 25 sqkm 40-year flake graphite Mining Permit with environment authorisation for setting up a 12000 TPA flake graphite processing plant, infrastructure ready with base camp at project site.
- A JORC CPR defining a Resource Target of approximately 6.5 to 13.1 million tons Flake Graphite deposits with grade ranging from 2 – 11% in 1.15 sqkm of the area.
- Post CPR, further exploration determining additional more or less 3-5 sqkm potential flake graphite deposit areas within the tenement with geological mapping, trenching and pitting conducted for validation.
- Project development plan for developing the first stage 12,000 TPA plant to be followed on by two more plants of 12000 TPA each.
- An in country and expert management team with years of world leading flake graphite operations.
- The Tirupati Graphite brand, well recognised in the industry space and backing of our principle shareholder with decades of successful flake graphite experience.

**Tirupati Graphite plc**  
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The location of the project provided a key advantage for its development as will be visible from the map below:



**Location of VATOMINA Project – External Infrastructure of Road & Port ready**

We considered it fit to further de-risk the project by way of two primary objectives – resource security and metallurgical tests to confirm the processing technology TCCPL provided. We thus embarked on the journey of expanding the activities as soon as we took over the project. The summary of progress we have made on the development of the project since its acquisition is appended below:

**Exploration:**

The exploration data and CPR we inherited on acquisition provided a launch pad for a detailed exploration by way of core drilling and an estimated 35 holes were pre planned as the first phase. We commissioned Vivek Geo Services, a team of JORC Competent Persons for overseeing the detailed exploration involving diamond core drilling and sampling assays to produce an updated JORC resource. For the execution of the core drilling activity, after undergoing detailed assessment, the Company preferred to procure its own track mounted diamond core drilling machine and its accessories as opposed to hiring the same. We further developed a drilling and exploration team to work alongside the Competent Person team.



**Track mounted diamond core drilling machine at Madagascar on arrival**

Drilling commenced at the project in January 2018 and 53 holes have been drilled to varying depths up to 80M. The Competent person team has visited the project three times and the exploration has been ongoing under their expert guidance and supervision.



**Core drilling in progress at Vatomina**

Logging and sampling were also performed under the guidance of the CP team and samples sent for analysis to accredited laboratories. Two laboratories have been used for assays with check samples and standardisation activities performed as per CP directions.



**High-grade core samples**



**Group audit team inspecting the Core Boxes at Base Camp**

The Competent Persons Report is expected to be released within October 2018, and we expect a substantial increase on the resource target we have inherited in the resource target. Moreover, with further areas within the permit remaining, and with the fact that we own our drilling equipment, we shall conduct further drilling in a prudent manner balancing across our projects to increase our resource inventory.

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Team from Vivek Geo Services at our Base Camp



Our Project Director with CP Team compiling data for CPR



Competent Persons' Team verifying Core Logging



**Visit of auditors to drill pad where drilling was ongoing**

It is worthy to mention that the procurement of the company's own core drilling machine has not only improved core recovery in the weathered saprolite zone, but also resulted in a substantial cost saving and continued availability of the equipment to progress further drilling activity in all the Company's projects. This has enabled the Company to increase our additional resource inventory at very low further costs.

In addition to core drilling, we also conducted exploratory mining for generating bulk deposit samples for metallurgical tests. The activity did provide a glimpse of the quality and extent of the resource in the project. Some pictures of exposed Graphite faces, and that of the activity below.



**Depiction of the expansion of the Graphite ore body into the ground**



**Second open deposit face at bulk sampling**

**Metallurgical Tests:**

We also inherited the proven flake graphite processing technology used by TCCPL for years as a part of the acquisition of Vatomina. In addition, processing plant development plans prepared by the TCCPL team were also inherited. To further verify and de-risk the processing technology and analyse the Company's resources in relation with the same, we commissioned the services of "Institute of Minerals and Materials Technology" (IMMT) located in Bhubaneswar, India. They performed detailed metallurgical tests for determination of flow sheet for processing of graphite from our project, and also engaged the services of TCCPL for assisting IMMT by providing insight on the technology and equipment developed by them and inherited by the Company.

Upon performance of lab scale tests, the preliminary report for was received from IMMT in October 2018. Based on the mineralogical & liberation studies, IMMT developed a first stage Graphite Flake extraction equipment prior to use of grinding equipment. This led to development of a unique pre-process, which encompassed at-least the following benefits in the process flow sheet & design:

- A substantial portion of the impurities including the process damaging clay could be removed from the head feed.



- The onward quantity of flow to the milling process substantially reduced, effectively providing the opportunity to have higher throughput with the previously planned equipment sizing.



**Flake Graphite concentrate produced during metallurgical tests**

To follow on with pilot scale tests, 20 tons of graphite ore was mined under an extensive exploratory mining program. IMMT further conducted pilot scale tests, defined the final process flow sheet and provided inputs for the design of the various plant modules for the planning of the build- up of processing facilities for the project. Based on the tests and flow sheet received from IMMT, and in coordination with TCCPL, the capacity of the proposed modular plants planned to be set were reassessed and with a 20% increase in the earlier estimated CAPEX, the capacity of a module could be increased by 50%, resulting in development of design for 18,000TPA modules to replace 12,000 TPA. This in turn further provided possible reduction in the OPEX of the project two detailed assessments and financial modelling of which is presently in progress to finalisation.

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**Project Infrastructure:**

No external infrastructure bottlenecks exist for the project development due to the locational benefits. We have access to national highway no 2, the lifeline of Madagascar being the connection between the capital city and the main sea port. Only internal infrastructure was required to be built at the Project. As we have evolved the Project, the following infrastructure has been constructed to date:

A concrete 11 metre long bridge to cross over a stream at the entrance of our permit area from the NH2 was built. The all-weather bridge is 4 metres wide and RCC construction is designed for 35MT load.



**Newly constructed 11m long bridge connecting the site to the national highway**

Main internal roads connecting from the national highway to the base camp, processing plant site, and a network to reach the extensive mineralised zone in hilly terrain, total circa 15kms, was built to provide access within the project area.



**Tirupati Graphite plc**  
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**Management Camp and office**

A management camp area constituting boarding, lodging, dining and recreation facilities for the resident management and technicians team has been created to accommodate 20 persons considering the requirement of trained personnel to be stationed at the facility and for visiting senior management and other guests. Guests visitors include customer teams, consultants, auditors, analysts and service providers. The Base Camp is powered by solar energy.



**Auditors at the Vatomina Base camp reviewing the geological mapping and exploration briefing**



**A view of the Base Camp and office area**



**The Store and a solar power pack at the Base Camp**

A laboratory, stores centre and utilities depot have been created at the base camp for the ongoing activities too. In a nutshell, the project site base camp is fully equipped to take care of all requirements for the project at this stage and as we progress we shall create further infrastructure at the plant site. In addition to the site base camp, we have the following places for operations and admin in place:



**Residence and office in Antananarivo**



**Office at Mining Business Centre**

**Community Engagement and Project Land Settlement:**

As a responsible corporate citizen, we are conscious of developing conducive relations with the local communities we are engaged with and positively contribute to the quality of life of the people around us. At the outset, before any step on the ground, we engaged with the local community, appraising them of the Company, the project possibility and understanding their concerns and expectations.



**Pictures of the first meeting held with the local community at large**

For assessment of surface occupancy of land and determination of a uniform mechanism for settlement, a committee of 28 members was formed, representing prominent citizens from each village, members of the TG ground team, and the Mayor of the Region. Land holding patterns were analysed and categorised according the Law by appointing an authorised land rights surveyor. Based on the findings of the survey, the Committee has formed a uniform mechanism for payment of compensation to land rights holders was determined with a fixed annual cost and onetime variable compensation. Having determined the requirements for land for the project, the following agreements and activities have been concluded for land required for the processing facilities and mineralised areas:

1. A parcel of 10 Hectares land lying in between the highway and the mineralised zone within the Permit area has been acquired on along lease coterminous with the Mining Permit for setting up the processing facilities.
2. Approximately 50 Hectares of the mineralised zone identified for mining operations based on exploration findings have been settled on a long lease for mining operations, with a principle laid for settlement of any further areas as may be required for the project.
3. The Company has engaged with the land rights recording institutions for awarding formal land certificates to complete the legal procedures for recording of surface rights, an activity that has resulted in huge support from the community.



**Meetings of the 28-member local community for comprehensive interaction**

On the other side, with activities ongoing on the ground, we have been a source of new employment for the local population. Approximately 50 people have direct regular employment and a like number gaining secondary employment at the project. These activities have not only provided regular and quality livelihood to the local commune, it has also led to development of skill in various arenas like driving, drilling, other exploration activities, construction and more. With the onset of creation of a fabrication centre at the project site, the opportunity for gaining skills in the sector shall further empower the local populace in their skill development.

### **Long term community development plan**

#### **Long term Community engagement programme - Shakuntalam (symbolising motherhood)**

The Company have been consciously aware of its social responsibility and believes in conducting business ethically as well as are sensitive towards the social, cultural, economic and environmental issues. Our Madagascar mines are located in an underdeveloped state having substantially poor living conditions of people with lacking infrastructure, poor or no healthcare facilities, no means of securing life necessities etc. The Company takes it as their social responsibility to improve the quality of lives of people surrounding the project area alongside the development of the Company. This has led to a stream of philanthropic activities wherein a Community development centre is to be set up at the project sites dedicatedly working on the following aspects on community development.

#### *Health & Hygiene improvement in the locality*

- ❖ Health and Hygiene Centre where a full time primary doctor will be appointed by the Company with sufficient supply of free medication distribution.
- ❖ Immediate care unit for emergency First Aid and primary health care.
- ❖ Primary health care to expecting mothers of workers and villagers in mine area, free distribution of supplements and nutrients etc.
- ❖ Arrangements of clean drinking water in the entire community around us.

#### *Sports Development Centre, Catalysing Education and other*

- ❖ A Sports Development Centre shall be developed with a view to encourage and promote various sports in the surrounding area with Football & Volleyball grounds development for workers and surrounding people, a Badminton court development and allied facilities of different indoor and outdoor games.
- ❖ Catalysing education shall be the primary activity for child development and the education programme which shall include providing transport to schools, education inputs, study materials etc and improving school infrastructure to support local schools for improvement of child attendance and overall promote educational awareness and importance.
- ❖ The vocational training centre shall include an agriculture and horticulture training centre, Dairy products development centre and artificial insemination for improvement of cattle breed. The centre shall simultaneously host training for skill development in various other vocations like fabrication related activities and basic technical skills development for both internal employees and externally for people looking for providing services in the sectors as entrepreneurs.

As we progress our relationship with the community, for improving their quality of life, we shall continuously be conscious interactively of the local needs and align our programs to meet them.

Similar programs shall be developed for each of our projects tailored to the specific needs of the community we work in, to give back to the society by providing opportunity for them to improve their lives.



**Land Settlement with employment generation and sustainability**

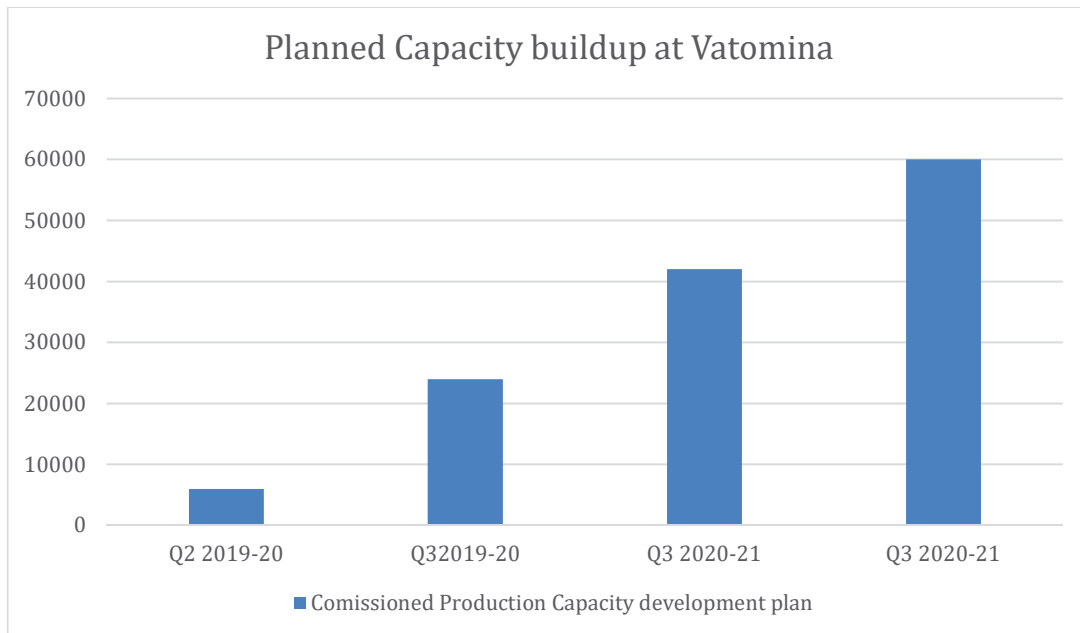
While undertaking the land settlement activity for the project mining as well as plant set up, the Company generously connected with the local people and interacted with them to make them understand what the Company is all about and the kind of impact that they are going to witness on successful implementation of the project. Each of the surrounding village mayor is connected alongside the Company personnel on the committee wherein they periodically interact and contribute for the project development.

Accordingly, the Company has successfully gained trust of inhabitants there and have achieved the win-win situation wherein the Company has managed to obtain the land rights identification and settlement of the same by appointing professional expertise to identify and validate the land title and ownership. This activity has relatively brought substantial change in the lives of the local people by contributing to their wellbeing as compared to their earlier socioeconomic status.

**Project development to production – staged with early cash flows**

The Vatomina Flake graphite project having been established as a quality resource of large flake graphite connected to infrastructure, 70 Km from the main sea port of Madagascar and connected by a national highway, is planned to be developed

- To a capacity of 60,000 TPA Flake Graphite output per annum with four plants by Q3 2021
- Staged Development strategy of capacities with modular plant design – first 6,000 TPA targeted to commission Q2 2019 followed by 3 X 18,000 TPA units each to commission in Q3 of three consecutive years, one additional module per year.
- Post completion of the planned capacity, based on various techno commercial considerations, the project can be further developed for additional capacity.



**Timeline planned for modular capacity development in Vatomina to 60,000 TPA**

**Tirupati Graphite plc**  
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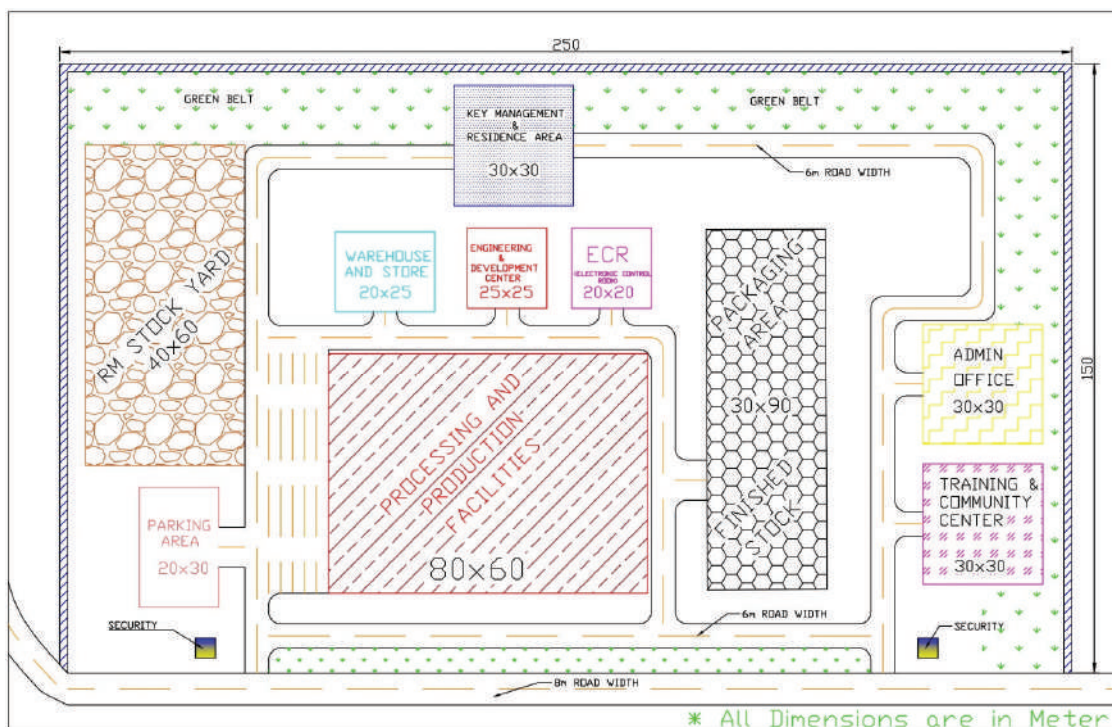


The CAPEX estimations for development of these projects, based on cost as on date are as below:

SI No	Particulars	CAPEX / Targets
1	Investment in 6,000 TPA first plant	£963,050
2	Investment in one-time infrastructure development	£1,004,890
3	Investment in building first 18,000 TPA Plants @4,891,500/- each over 3-year period	£3,740,790
<b>Total Stage 1 CAPEX 24000 TOPA capacity completed by Q2 /Q3 2019-20</b>		<b>£5,708,730</b>
4	Commencement of 6,000 TPA output	Q1 2019-20
5	Commencement of 18,000 (total 24,000) TPA output	Q3 2019-20
6	Investment in second & third 18000TPA modules @ 4,891,500/- each module	£7,481,580
7	Commencement of additional modules	Q3 2020-21 & 2021-22

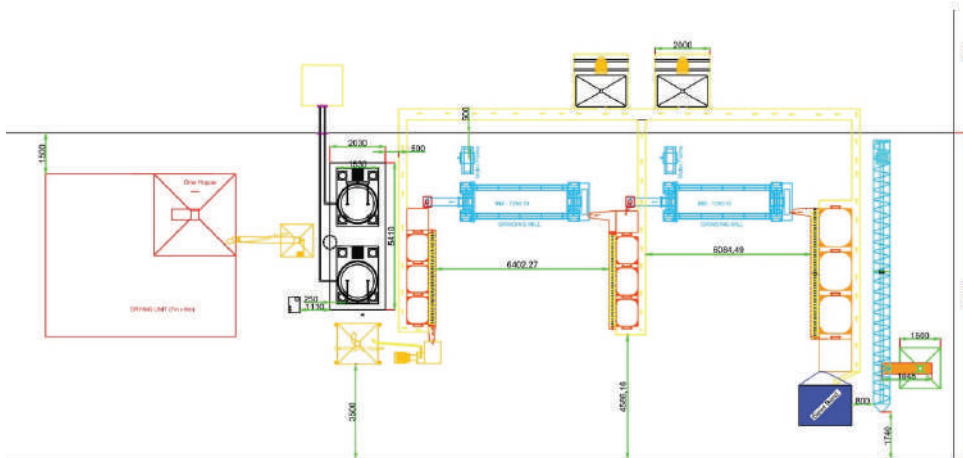
The structuring of the development of capacity in modules not only provides us early stage cash flow, but also the liberty to fund the follow-on modules by leveraging the cash flows from the first stage, thus enabling the strategy to avoid further follow-on fundraising from primary equity markets, building values for our esteemed shareholders.

Having completed the acquisition of land for the development of the processing facilities, a comprehensive plan has been prepared for the development of the project to three-year capacity target in the 10 Hectares area taking into consideration the topography and its best use:

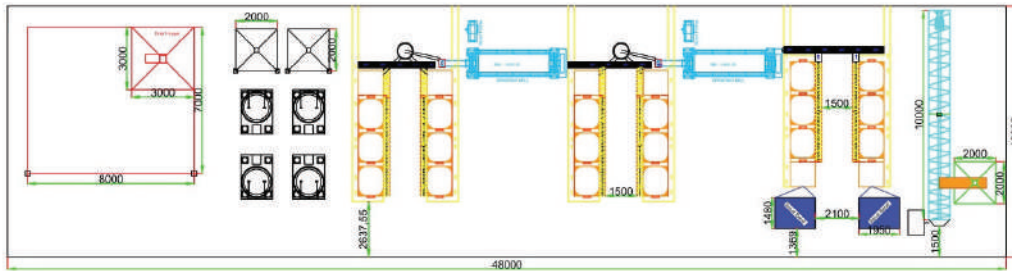


**Key layout plan for the plant area for 60,000 TPA build-up**





**Layout plan for 6,000TPA plant**



**Layout plan for 18,000 TPA Plant**

A set of earthmoving equipment having a capacity to move circa 300 cubic metres earth per day of operation in one shift was commissioned at the project in the last quarter. The equipment set was deployed initially for development of roads in the entire project area. Development of the plant area was initiated by use of the earthmoving equipment in early September 2018 and stand more or less completed for the first two plants to be installed. The equipment set shall start the process of stripping in the first target mining areas for preparation to mine. A few glimpses of the area development progress:





**Area development for the processing plant and other facilities in progress.**

Simultaneously, various preparatory activities are also underway and these include:

- Development of a fabrication centre for basic fabrication activities like construction related fabrications, bunkers and hoppers and similar which are time taking has been initiated with all required inputs in the process of shipment from India.
- Foundation Construction of the main plant shed, another time taking activity shall be initiated in the ongoing quarter.
- Manufacture of plant equipment for the first plant shall be furthered in the current quarter.

## THE SAHAMAMY PROJECT

In October 2017, we entered into a binding agreement for the acquisition of “Etablissement Rostaing”, a private Company in Madagascar owning and operating the Sahamamy Project, located about 8 km aerial distance west from Vatovina. Sahamamy is an operational flake graphite plant and mine spread over 8 sqkm permit area and has been producing approximately 250 tons of flake graphite over the past few years. It also has pending applications for the grant of an Exploration Permit for an additional 8 sqkm of known flake graphite deposit areas. Historically, the entire production of the Project has been procured by TCCPL for over three years and thus the product, project, and its founders are already well known to the Company’s management.



**View of the Processing Facility at Sahamamy**

The Company took control of the operations of the Sahamamy project with effect from 1st January 2018 and the entire team of Rostaing also joined the Company. After taking control, progress on the project has been affected through the following activities:

### **Resource assessments:**

On acquisition, we inherited, historical exploration data for the activities historically conducted in the Sahamamy Project. Although no systematic exploration or drilling was previously executed in the Project, the data provided a launch pad for the development of a maiden JORC CPR for the project. Therefore, we commenced various research activities, including topographical surveys using Total Station, compilation of all historical geological data, detailed geological mapping of the area, geophysical studies, augur drilling, sampling and assays. The Maiden CPR for the Project is now under final preparation and shall be followed by further drilling activities in due course, as the Company’s own drilling rig shall be moved to the project.

### **Strengthening of approach road**

On acquisition, we inherited various existing infrastructure and embarked on strategically improving these to develop the project into a sizeable operation. The dedicated approach road of about 13 km was widened to +6 metres & strengthened with drains & slope stabilisation where required.

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**Newly-improved approach road**

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**Base Camp improvement**

The base camp at the processing plant site was improved to facilitate boarding and lodging for the enlarged management team.



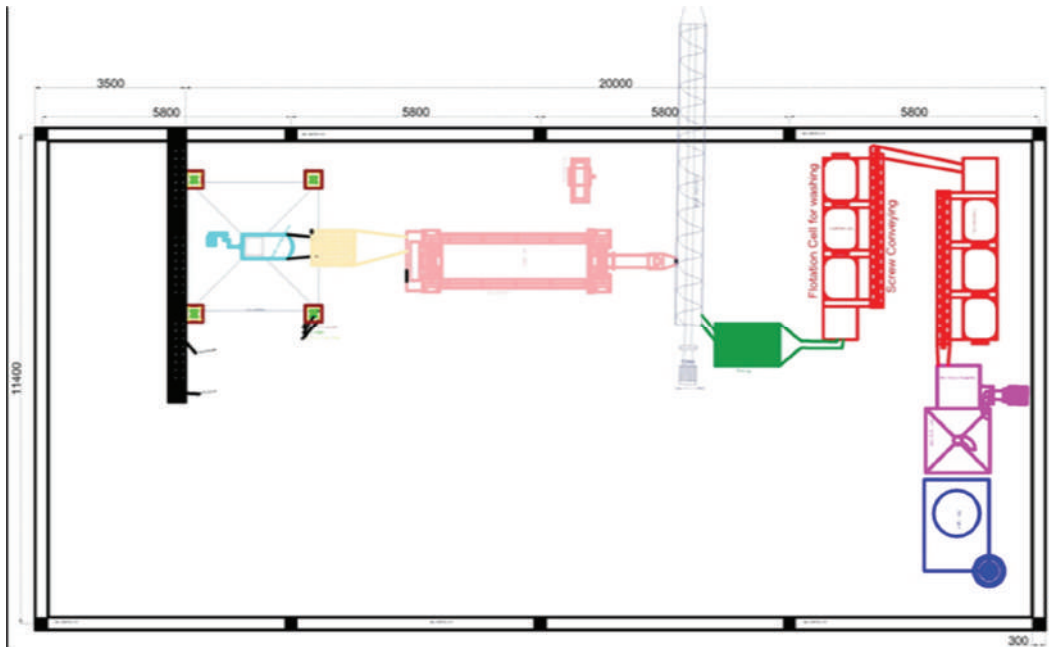
**Visit of corporate auditors – at the Base Camp in Sahamamy with management team**

**Current operations improvement and development planning:**

Prior to acquisition, Sahamamy was producing approximately 250 tons of flake graphite per annum from its original historic plant. Upon acquisition the specialist TG team increased output from the plant to a rate of 40-50 TPM as of July 2018. The project holds environment authorisation for a capacity of 3000 TPA processed graphite production. On review of the existing facilities we further determined that the existing plant was neither capable of, nor technologically up to the mark for achieving this pre-approved capacity. Thus, as a first step, redevelopment plan for achieving the pre-approved capacity of 3,000 TPA capacity has been drawn up and is under implementation. The redevelopment includes building of a new adjacent plant building, installation of all new equipment, strengthening of the earthmoving fleet for mining and all other activities for developing the 3000TPA facility to a modern flake graphite operation of a high enough standard to ship goods directly to end users. Some pictures depicting the existing plant and the redevelopment activities progressed are given below:



**Portion of the existing plant**



Layout plan for new equipment installation for 3,000 TPA redevelopment



Civil foundations for erection of feed bunker and new plant shed



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**Plant, machinery and various materials for rebuild shipped to Tamatave**



**First set of versatile small earthmover equipment commissioned.**



**New lab set up and local team trained for testing and quality control**

The rebuilt 3,000TPA plant shall be up and running within Q4 2018. The markets for the product are already established with the existing production. Qualitatively, the processed flake being, of high quality jumbo and large flake in majority, these have been used in the following applications:

- a. For manufacture of Expandable Graphite used in various applications such as Fire Retardants, Gaskets & Sheets and Graphite foils for any application.
- b. Manufacture of high-grade Crucibles by the best-known brands in the world.

With the limited production available at present, various other areas of application where the product will be used when the production is expanded, is listed below:

- a. Continuous Casting Refractory – A critical application requiring Jumbo and Large Flake Graphite.
- b. High Purity Graphite manufacture and applications.
- c. Friction Material.
- d. Plugging Agent for oil well drilling

**Given the prospects of the project, the next stage of development plans is summarised below:**

**Reconditioning and optimisation of the old hydro power generation facilities.**

The project has an existing hydro power generation setup which is not operational at present. An initial review of this has been made. We shall undertake a detailed review and recondition the hydro power facility to recommission with the maximum possible power generation. Some pictures of the existing facilities are given below:



**Reservoir and pipeline for Hydro power plant**



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**Turbine and other equipment at the hydro power plant**

**Development of Berano-Gismay Road**

The project is presently connected from Brickaville to Gismay by a 45-minute boat journey. For developing larger scale operations, development of approach by road is considered essential. After initial internal working discussions on the best way to have road connectivity for the project, it was determined that an existing road from Vatomina to Berano could be connected to Gismay by laying approximately 12 km of new road. We commissioned the services of an expert consultant group for the purpose and detailed layout for development of the new road has been created. As required by law, we have made an application for authorisation by the Environment department for development of the road and upon receiving this, the road connection shall be built.

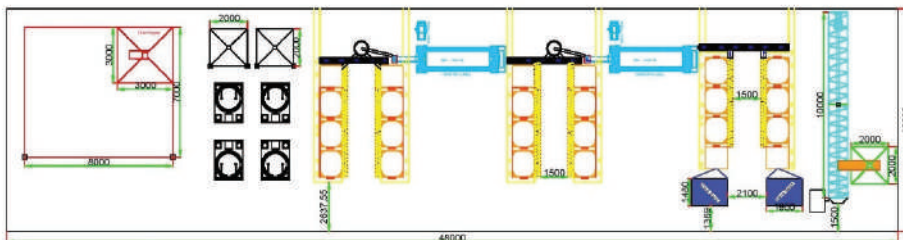
**Further detailed exploration**

The two existing permits have shown substantial resource potential in the area. To fully realise the total resource potential of the existing permit areas, we shall commission core drilling in both the permit areas.

**Development of further processing facilities**

We have developed modular processing plant design for the type of deposits found in the region where both Sahamamy and Vatomina projects of the Company are located with capacity 18000TPA. These modular plants are with optimised parameters leading to low CAPEX per ton of capacity created, low OPEX and for achieving the objective of staged project development.

By December 2019, completion of Hydro power rehabilitation, road connectivity and further detailed exploration is planned to be completed. In 2020, setting up the next plant of 18000 TPA capacity at Sahamamy is planned and the plant to be fed with raw material from both the existing mining permits. Layout plan for 18000 TPA module is as below:



Depending upon various factors such as the results of next stage of exploration, markets development and other economic considerations, the capacity of the project may be further enhanced in modules of 18,000 TPA each.

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The synopsis of financial estimates for the development of the project as per above plans are as below:

SI No	Particulars	CAPEX / Targets
1	Investment in rebuild to present approved capacity	£545,040
2	Investment in one-time infrastructure development	£525,000
3	Investment in building 18,000 TPA Plant 2	£3,740,790
<b>TOTAL CAPEX up to December 2020</b>		<b>£4,810,830</b>
4	Commencement of 3000 TPA output	December 2018
5	Further Exploration, Road completion	December 2019
6	Commencement of additional 21,000 TPA output	December 2020

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**Tirupati Specialty Graphite:**

Tirupati Graphite PLC (TG) was established with the vision to be a one stop solution for all forms, specifications and applications of flake graphite. In another highly value accretive acquisition, TG acquired Tirupati Specialty Graphite Pvt Ltd (“TSG”), an Indian private company founded by TCCPL India group who split off its ongoing development of downstream value-added Flake Graphite developments to facilitate the development of TG. This acquisition is therefore a major milestone in the completion of the flake graphite basket of TG and to realising the value chain in our area of operations.

We now are in a position to detail the stages of development of the downstream plans as below:

**THE PATALGANGA FIRE RETARDANTS PILOT PROJECT**

TSG is in the process of completing the development of a 1200 TPA pilot scale Flake Graphite Fire Retardant additive plant in Patalganga, near Mumbai in India. The CAPEX for the plant has been completed prior to the acquisition and commissioning is ongoing at this stage. In addition, Flake Graphite finishing facilities by way of screening and blending to accurately produce tailor made products for conventional applications is also being set up at the pilot plant, providing an opportunity for the Company to develop end user-based markets for its production from the Madagascar mining operations, specifically for the Indian market. Below are some glimpses of the project now under completion:

- 1,200 TPA pilot fire retardants facility under commissioning.





Commercial operations of the plant shall commence from Q4 2018. The present produce of the Company from the Sahamamy mining operation shall be shipped to this project from October 2018 for final finishing and marketing. The setup also provides us with the opportunity to procure various inputs for our projects in Madagascar from Indian sources and ship directly from the plant, thereby providing a competitive price and quality advantage.

#### **Development of Comprehensive Downstream Value-added Flake Graphite Processing Plant**

The markets for flake graphite can be divided in two parts:

1. Particle size graded normal purity range products - These are the conventional grades used in many industrial applications and are also the input material for the downstream processing. Typically, the range of purity for these grades is 90% to 96% and particle sizes ranging from >300 microns (50#) to <150 microns (100#).
2. Specially processed and high purity flake graphite products - These are used in hi-tech applications including fire retardants, lithium ion batteries, lubrication, friction materials and more.

TG has inherited through the acquisition of TSG, ongoing development planning and feasibility studies for setting up a comprehensive downstream processing plant with technologies for various downstream processes developed by the existing team. These processes are environment friendly, cost effective and have modular designs giving us the advantage of scaling up further as and when required. The testing for the high purity flake graphite process and product has also been completed on pilot scale and samples are being circulated to various customers to create our markets. We have also inherited knowhow for a micronisation unit, which gives us a tested process and product for this processing unit. We are also in an advanced stage of procuring technology and equipment from German and Japanese companies who are experts in the area of spherical graphite manufacture for lithium ion batteries. We have also inherited a skilled team with knowledge, expertise and experience in manufacturing, processing and marketing of downstream processed graphite products for multiple applications.

The major raw material for the downstream processes is natural flake graphite for which Tirupati is operating and further developing mining and processing facilities in Madagascar. Madagascar has a grade distribution most suitable for downstream applications with a large percentage of large flakes.

With this background, TG is excited about the potential of the Specialty Graphite business and is developing an all in one stop integrated downstream processing plant with a throughput of 20000 TPA in two consecutive phases as follows:

Phase I: High Purity and Expandable Graphite Production total 10000 TPA

Phase II: adding additional capacity of purification, micronizing and shaped graphite production and their derivatives increasing the throughput to 20000 TPA

The detailed feasibility studies for the Project is scheduled for completion in Q4 2018.

#### **Tirupati Graphene and Mintech Research Centre (TGMRC)**

TSG also initiated the development of a Technology Centre under the name of Tirupati Graphene & Mintech Research Centre, as an integrated R and D Centre for research and development of graphite and graphene and Mineral and Materials Technology. The centre's main focus is on the development of advanced graphite applications and composites, graphene and its applications. The Centre is formed with its focus on the development of a commercially viable graphene oxide (GO) and graphene (RGO) technology development and its production. Linking into existing national expertise, TGMRC shall have its focus on production, characterisation and application of GO and RGO and in the development of various composite products for energy devices, coating on different materials, membranes and conductivity applications. These technologies are destined to make the world more sustainable and TGMRC has the intention to play a lead role in the development.

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As a corollary activity TGMRC shall also excel in developing cutting edge technology for mineral processing providing it a revenue stream in addition to the development of Graphite and Graphene technologies and making it a revenue generating centre.

Based on this brief background, the operations shall be divided in three “Centres of Excellence” as per the following:

**Graphite and Graphene Research and Application Centre” – GRACE**

GRACE shall be a comprehensive centre of advanced knowledge and technology on processing and application of natural graphite and industrial carbons. It shall specialise in all areas of graphite application research and process development including high purity graphite process, colloidal graphite, intercalated graphite, graphene oxide, reduced graphite oxide, electrodes and cathodes, carbon for refractory, lubricants, crucibles, lithium ion battery and other downstream products. A GO & RGO manufacturing capacity of 10 kgs. per day shall be setup for which technology has been developed. The technology is low cost and scalable and GRACE shall aim to catalyse the development of the commercialisation of this new age material.

**Centre of Knowledge Sharing – CKS**

In addition to industry focused research and technology development, the necessity of skill and human resource development for the industries is essential for improved industrial activity. The enlarged TG group shall reach an employee strength of over 1000 in a three-year span and the centre will focus an exclusive platform on skill development requirement by it and industries in different levels.

**Centre of Excellence on “Mineral Processing and Extractive Metallurgy” – MINMET**

MINMET shall be developed in the lines of thinking outside the box to develop commercially viable technologies for mineral processing. Our team has scientific capabilities in a wide spectrum of mineral processing, metal extraction, mineral and metal-based products, material development and design development of related equipment and total engineering and solution. The best of human capital with most modern facilities for technology development shall be the strength of MINMET. It shall also be the platform for the development of advanced Graphene based composites.

The detailed feasibility study for the project has been received and we are now in the process of further assessing and refining the same to suit our corporate goals. Allocation of land for the project has been applied for to the Government of Orissa and we shall develop the project to realise the best creation value of the project.

We shall be able to share further on the developments of the above in due course as we are bound by certain confidentiality requirements.

With this overview, we convey our commitment as a team to further the development of your Company in line with the base created.

**Other Corporate developments**

We have achieved the stage we are in with various corporate activities performed with success, which we take this opportunity to bring to your notice in brief too:

*Capital raise*

We have successfully concluded fund raising of two rounds of equity, first providing us the seed funding and the initial pre-IPO funding for de-risking the Company’s projects and totalling a sum of circa £ 1.15 million and the second providing us the follow-on capital of circa £1.5 million for furthering acquisitions and development of the Company to the comprehensive flake graphite development strategy where we are in today.

*Human Resource development*

To succeed in our endeavours, human capital is as essential a resource as other inputs. We take this opportunity to expressly thank our principle shareholder Tirupati Carbons & Chemicals (P) Ltd. For providing us with their “A” team, the team that successfully built the projects we acquired, built their own operating projects in India and have masterminded the development of your Company alongside our Managing Director. We have developed the capabilities to engineer our projects, assess our geological resources, develop our downstream projects and venture in the Technology space with these.

We also take the opportunity to share that the team we have built the downward teams for all our projects and would like to quote our Auditors “they all know very well what they are doing and have a command on their activities”. We shall continue our commitment to build our Human Capital to lead your Company to success.

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*Corporate image building*

In the short time of our existence, we have made our presence felt around the globe and in the London capital markets in particular. To name a few, we have been invited to be at the keynote specialist in industry Conferences of Graphite & Graphene organised by the likes of Industrial Minerals & Benchmark Mineral Intelligence, placing us at the helm of the industry.

We also showcased ourselves at the Mines & Money 2017 in London and our Managing Director was invited to deliver an address in the main arena after his address in the junior mining companies' arena. We also showcased at the Mining INDABA in Johannesburg earlier this year with wide recognition of development of your Company.



At our booth in Mines & money 2017



At our booth in Mining Indaba 2018

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We have also been in regular touch with the London Stock Exchange, updating them on our developments and receiving vital support for our future endeavours. On a more general basis, we have connected to the London Capital markets through personal interactions and the acquisition of information.

In Madagascar, we are widely recognised and are treated as an exemplary investor for the systematic approach we have adopted to developing the Company's projects. We take liberty to share some glimpses that depict our stature in the Country where our primary mining projects are located.



**Management team members with The Honourable President of Madagascar at inauguration of the Mining Business Centre**

And finally, we would like to record our sincere and heartfelt thanks to you **OUR SHAREHOLDERS** for standing with us in the formative period of your Company. We are joined by the entire management team of your Company to give a standing ovation to our shareholders and to express our gratitude for your support.

In conclusion, we continue to build the Company as a committed team and will leave no stone unturned in achieving the **Vision & Goals** we are working tirelessly for.

**Tirupati Graphite plc**  
**Strategic Report**

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Pursuant to the requirements of the Companies Act, this document includes our Strategic Report, Directors' Report and required financial information (including our statutory accounts and statutory Auditors' Report for the year ended 31 March 2018), and forms part of our UK Annual Report and accounts for the year 31 March 2018 (the UK Report and Accounts), as required by English law.

**Principal activities**

The principal activities of the Group are described in detail in the business review on pages 5-37.

**Events since the year end**

Details of the of significant events after the reporting period are contained in note 20 to the financial statements.

**Results for the year ended 31 March 2018**

The Group and Company were incorporated during the current year, therefore there are no comparative figures presented. A summary of key financial results is set out in the table below. The Group and Company primary financial statements are found on pages 53-72.

In summary:

- The net interest cost for the Group for the period was £114.
- Administrative expenses from continuing operations £560,483.
- Group loss after tax from continuing operations was £529,131.
- Basic and diluted loss per share from continuing operations was 1.68p.
- As at 31 March 2018, the Group had cash and cash equivalents of £504,122.

The Group commenced sales to external customers in the last quarter of the year. Since year end, sales have continued as forecasted.

During the year, the Company acquired an already existing group through the acquisition of Tirupati Resources Mauritius.

The shares issued during the year, since incorporation of the Company, are detailed in note 18.

**Key performance indicators**

The key performance indicators of the Group are set out below:

	2018 £
<b>Revenue</b>	<b>28,001</b>
<b>Cash and cash equivalents</b>	<b>504,122</b>
<b>Gross assets</b>	<b>4,384,190</b>
<b>Earnings per share</b>	<b>(1.68p)</b>





### Principal risks and uncertainties

The Directors confirm that we have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

The Group has exposure to the following risks from its use of financial instruments, which are presented in note 19 to the financial statements:

- Capital risk management
- Market risk
- Credit risk
- Liquidity risk
- Currency risk

We understand that the risk management framework must revolve around some core factors so that the material business risks throughout the Group can be identified, assessed and effectively managed. These factors cover the following elements:

<b>Identify</b>	Risk mapping and listing is conducted on periodic basis to identify emerging issues.
<b>Assess</b>	The likelihood of risk occurrence is determined with evaluating their potential impact.
<b>Mitigate</b>	Appropriate measures and actions are put in place to ensure control.
<b>Monitor</b>	Efficiency and effectiveness of the measures and actions are periodically monitored for better control.

### Principal risks and uncertainties to the Group

The following table, whilst not an exhaustive list as other risks may arise or existing risks may materially increase in the future, sets out the risks and uncertainties to the continuing Group.

Issue	Risk/Uncertainty	Mitigation
<b>Financial strategy</b>	1. Unclear or unsustainable financial strategy risk with cost overruns in project costs.  2. Future legal and regulatory changes could introduce more onerous requirements and increase our financial liability.  3. Changes in assumptions on inflation, mortality and discount rates applied in determining liabilities and the performance of assets.  4. Investor support may be negatively impacted if there are delays in achieving our strategy's intended goals.	1. Financial and project cost prudently scrutinised with exigencies provisioning. Regularly reviewed by the Executive Management and Board. External advice is sought as required.  2. None foreseen at this stage. Appropriate exigencies provisioning considered.  3. Financial planning done considering worst case scenario.  4. Setting example by demonstrated higher achievements than projected.



## Principal risks and uncertainties to the Group (continued)

Issue	Risk/Uncertainty	Mitigation
<b>Competition risk</b>	<p>There can be potential threats from innovative market players with competitive products, making them equally or more beneficial and qualitative than the Group's current products.</p> <p>These competitive market players may bring new age technology leading to their advantage.</p>	<p>Our Group has been putting in a substantial amount of investment in research and development, which continuously enhances our innovative process to ensure higher quality products and a consistent competitive edge.</p>
<b>Attraction and retention of key employees</b>	<p>It is essential for the Group to maintain the continued service and performance received from the key officers and employees.</p> <p>Even though arrangements with the respective employees are in place to secure their services, retention of these services cannot be guaranteed.</p> <p>The loss of the services of any of the key officers or employees could delay the Group's operations.</p> <p>Further, the ability to attract and hire new sufficiently skilled employees cannot be guaranteed.</p>	<p>The Group is actively involved in human resource management. The process includes policy framing of appropriate incentives and appreciation methodology, which ensures that people with key skill-sets are retained.</p> <p>Creation of systems to mitigate individual influence, continued talent hunt and alternative key human resource development are ongoing activities.</p>
<b>Brand, reputation and trust</b>	<p>Our brand will suffer if we lose trust and transparency in our business. If we cannot be firm in the face of ethical, legal, moral or operational challenges, our reputation may be damaged.</p>	<p>Our Group's processes and policies set out how we can make the right decisions for our customers, colleagues, suppliers, communities and investors.</p> <p>We have developed communication and engagement programmes to listen to our internal and external stakeholders and reflect their needs in our plans.</p> <p>We maximise the value and impact of our brand with the advice of specialist external agencies and in-house expertise.</p>
<b>Data security and privacy</b>	<p>With increasing risks of cyber-attacks threatening the data security, we must ensure that we understand the types of data that we hold and secure it adequately to manage the risk of data breaches.</p>	<p>We have active monitoring processes to identify and resolve IT security breaches, and also to investigate and mitigate any possible threats.</p> <p>A platform with a high-end security system is under development.</p>

## Principal risks and uncertainties to the Group (continued)

Issue	Risk/Uncertainty	Mitigation
<b>Performance</b>	<p>If our strategy is not effectively communicated or implemented, our business may underperform against our planned objectives.</p> <p>The delivery of long term plans may be impacted if the business only focuses on short term targets.</p>	<p>Our Board, executive management and operational units meet regularly to review performance risks.</p> <p>An ongoing communication process informs our colleagues about the long-term strategy and ensures that they understand their part in it.</p> <p>There are clear guidelines, detailed timelines and policies set out to ensure that there is an appropriate focus on balance between short term and longer-term delivery.</p>
<b>Political and Regulatory</b>	<p>Legal and regulatory changes, increased scrutiny from competition authorities and political changes are risks which we face in every country in which we operate.</p> <p>The regulatory landscape is becoming more restrictive in many markets which may have a significant impact on our Group's strategy and objectives.</p>	<p>We engage with government and regulatory bodies to represent the views of our customers, colleagues and communities and to manage the impact of political and regulatory changes.</p> <p>We contribute to important discussions in public policy wherever we operate.</p> <p>Country developments are monitored by our local teams and external consultants.</p>
<b>Technology</b>	<p>If we do not invest enough or efficiently or invest in the wrong areas, we may not be able to deliver our customer proposition which could impact our competitiveness.</p> <p>As we develop new technologies, we must maintain the controls over existing platforms or it may impact systems availability and security.</p>	<p>There is a clear programme of investment to maintain the integrity and efficiency of our technology innovation infrastructure and its security.</p> <p>We are heavily inclined towards technology and innovation and work rigorously on continued improvements.</p>
<b>Environment and related risks</b>	<p>Resource based industries including mining and processing operations tend to have an adverse impact on air and water bodies harming the surrounding environment.</p> <p>The harmful effluents and emissions could prove to be hazardous and harmful.</p>	<p>The Group has been able to design efficient operating processes that have successfully eliminated the adverse environmental impact and harm to employees and community.</p> <p>We are also focused on total resource utilisation, waste minimisation and making a positive contribution to the environment.</p>

**Tirupati Graphite plc**  
**Strategic Report**

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period ended 31 March 2018



**Corporate and social responsibility**

The Group remains committed to our corporate and social responsibility projects. Details of these are on pages 47 – 49.

**Ratio of men to women**

The Board is satisfied that it has the appropriate balance of skills, experience and expertise necessary, and will give due regard to diversity in the event of further changes to both its own membership and/or the membership of the senior management team.

**Going concern basis**

The Group's business activities, together with the factors likely to affect its future development, performance and position are discussed throughout the strategic report. The financial position of the group, its cash flows, liquidity position etc., are also discussed above. The report additionally also includes the Group's objectives, policies and processes to address risks arising from the Group's use of financial instruments, in particular its exposure to market, credit and liquidity risks.

The Group has considerable financial resources together with well-established relationships with many clients and suppliers across different geographic areas. As a consequence, the Board believes that the Group is well placed to manage its business risks successfully.

After making enquiries and following a review of its profit and cash flow forecasts, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board continues to adopt the going concern basis in preparing these financial statements.

This report was approved by the board of directors on 19 October 2018 and signed on its behalf by

A handwritten signature in blue ink, appearing to read "Shishir Poddar", is written over a light blue horizontal line.

**Mr Shishir Poddar**  
**Executive Chairman and Managing Director**

**Tirupati Graphite plc**  
**Directors' Report**

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The Directors present their annual report on the affairs of the group, together with the financial statements and auditor's report, for the year ended 31 March 2018.

The Corporate Governance Statement set out on pages 47-49 forms part of this report.

### **Results and dividends**

The audited financial statements for the year for the Group and Company are set out on pages 53-72.

No dividends will be distributed for the period ended 31 March 2018.

### **Financial instruments**

Information about the use of financial instruments is given in note 19 to the financial statements.

### **Incorporation**

The Company is incorporated in England and Wales on the 26 April 2017 as a public Company.

### **Future prospects**

A commentary on the Group's future prospects and a description of principal risks and uncertainties are set out in the Chief Executive Officer's statement and business review.

### **Share capital**

Details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in note 18.

As on date of this report, the Company has issued 57,868,096 class of ordinary shares. Each share carries the right to vote at general meetings of the Company, dividend and capital distribution (including on winding up) rights but do not confer any rights of redemption.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

### **Memorandum and Articles of Association**

The Company's Articles of Association (the Articles) give the Board the power to appoint Directors but require Directors to retire and submit themselves for election at the first AGM following their appointment.

The Board of Directors may exercise all the powers of the Company subject to the provisions of relevant statutes, the Company's Memorandum of Association and the Articles. The Articles, for instance, contain specific provisions and restrictions regarding the Company's power to borrow money. Powers relating to the issuing and buying back of shares are also included in the Articles and such authorities shall be renewed by shareholders each year at the AGM.

### **Liability of members limited**

The Company is registered as a public limited company and members liability is limited to the extent of their respective subscription to shares.

**Tirupati Graphite plc**  
**Directors' Report**

Annual Report and Financial Statements  
period ended 31 March 2018



## Articles

### Issue of shares

Subject to the provisions of Company law and the pre-emption rights described below, the Directors are generally authorised to allot or otherwise dispose of shares in the Company as they think fit (including the grant of options over and warrants in respect of, shares).

The Company shall not allot any shares unless they are first offered to members (on the same or more favourable terms as the proposed allotment) in proportion to their existing shareholdings. Such an offer must state a period of not less than 21 days during which it may be accepted. These pre-emption rights shall not apply where shares are paid otherwise than in cash or if they are allotted or issued pursuant to an employee share scheme. Notwithstanding these pre-emption rights, the Directors may be given by special resolution (passed by a majority of not less than two-thirds of the members who vote at a general meeting) the power to allot shares either generally or specifically so that the pre-emption provisions do not apply or apply with such modifications as the Directors may determine.

Accordingly, the Directors are authorised by the Company shareholders by way of special resolution dated 15 June 2017 to allot shares to the extent of £30,000,000 shares.

## Directors

The Directors, who served throughout the year except as noted, were as follows:

- Shishir Poddar - Chairman and Managing Director
- Hemant Poddar - Non-Executive Director
- Christian Dennis - Non-Executive Director
- Rajesh Kedia - Non-Executive Director (appointed on 31 May 2018)

Biographical details of the Directors are given on page 6.

The interests of the Directors in the shares of the company at 31 March 2018 are as follows:

Director	Number of ordinary shares
Shishir Poddar	630,000
Hemant Poddar	630,000
Christian St John-Dennis	839,131
Rajesh Kedia	282,608

## Charitable and political donations

The Company did not make any political or charitable donations during the financial period except the investment in community development programme as detailed in the Corporate Social responsibility section at page 47 – 49.

## Employees

The Company's policy is to provide equal opportunities to all present and potential employees, including, where practical, those who are disabled.

The Group believes in respecting individuals and their rights in the workplace. With this in mind, specific policies are in place covering harassment and bullying, whistleblowing, equal opportunities and data protection.

## Health and safety

The Group is committed to providing a safe place of work for employees. Group policies are reviewed on a regular basis to ensure that policies regarding training, risk assessment, safe working and accident management are appropriate. There are designated officers responsible for health and safety and issues are reported at each board and executive meeting.

**Tirupati Graphite plc**  
**Directors' Report**

Annual Report and Financial Statements  
period ended 31 March 2018



### Substantial shareholdings

As at 17 October 2018, other than the Directors' holdings, the Company has been advised of the following interests in 3% or more of its issued share capital:

Shareholder	Number of ordinary shares	Percentage of issued share capital
<b>Tirupati Carbons and Chemicals Pvt Limited</b>	<b>29,565,778</b>	<b>51%</b>
<b>Nicolas Petitjean</b>	<b>4,615,300</b>	<b>8%</b>
<b>Huntress (Ci) Nominees Limited</b>	<b>2,888,852</b>	<b>5%</b>
<b>Momentous Investments Limited</b>	<b>2,500,000</b>	<b>4%</b>
<b>Optiva Securities Ltd</b>	<b>2,392,608</b>	<b>4%</b>
<b>Momentum Trading Limited</b>	<b>2,299,999</b>	<b>4%</b>
<b>Cape Light Investments Limited</b>	<b>1,755,435</b>	<b>3%</b>

### Statement of Directors' responsibilities

The directors are responsible for preparing the annual report and the Group financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). In preparing the Group financial statements, the directors have also elected to comply with IFRSs, issued by the International Accounting Standards Board (IASB). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the loss of the Group and Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Tirupati Graphite plc**  
**Directors' Report**

Annual Report and Financial Statements  
period ended 31 March 2018



**Statement of disclosure to independent auditors**

Each of the persons who is a director at the date of approval of the annual report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Group and Company's auditor is unaware; and
- The director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group and Company's auditor is aware of that information.

**Independent auditor**

A resolution to re-appoint Welbeck Associates as auditor of the Company will be proposed at the AGM.

**Annual general meeting**

The Directors consider that all the resolutions to be put to the AGM to be held in 13 November 2018 are in the best interests of the Company and its shareholders. The Board will be voting in favour of them and unanimously recommends that shareholders do also.

**Responsibility statement of the Directors in respect of the annual financial report**

We confirm that to the best of our knowledge:

- (i) the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- (ii) the Directors' report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

This report was approved by the board of directors on 19 October 2018 and signed on its behalf by



**Mr Shishir Poddar**  
**Executive Chairman and Managing Director**





As at year end 31 March 2018, Tirupati Graphite Plc was not listed on any UK exchange and is thus not required to comply with the requirements of the 2016 U.K. Corporate Governance Code (“the Code”) as issued by the Financial Reporting Council. However, the Directors recognise the value of complying with the Code and present the corporate governance code below.

The Directors are committed to ensuring the highest standards of corporate governance, and complies with, subject to a small number of exceptions listed below, the supporting principles and provisions set out in the Code.

### Meetings of the Board of Directors

The Directors meets regularly and are responsible for formulating, reviewing and approving the Group’s strategy, budgets, performance, major capital expenditure and corporate actions. All Directors have access to advice from independent professionals at the Company’s expense. Training is available for new and existing Directors as necessary.

Matters which would normally be referred to other than the appointed committees are dealt with by the Board as a whole.

Three Board meetings were held during the year. The Directors’ attendance record during the year are as follows:

Director	Number of meetings attended
<b>Shishir Poddar</b>	<b>3</b>
<b>Hemant Poddar</b>	<b>3</b>
<b>Christian St John-Dennis</b>	<b>3</b>

### Board objectives and operation

The key objectives of the Board are as follows:

- The agreement of strategy.
- The agreement of the detailed set of objectives and policies that facilitate the achievement of strategy.
- Monitoring the performance of executive management in the delivery of objectives and strategy.
- Monitoring and safeguarding the financial position of the Company and Group to ensure that objectives and strategy can be delivered.
- Approval of major capital expenditure and other expenditure that is not part of the defined objectives or strategic plan.
- Approving corporate transactions.
- Delegating clear levels of authority to the Executive management team. This is represented by the defined system of internal controls which is reviewed by the Audit Committee.
- Providing the appropriate framework of support and remuneration structures to encourage and enable Executive management to deliver the objectives and strategies of the Company.
- Monitoring the risks being entered into by the Company and ensuring that all of these are properly evaluated.
- Approval of all external announcements.

A schedule is maintained of matters reserved to the Board for decision.

### Insurance cover

The Company maintains insurance with a limit of £5 million to cover its Directors and officers against the cost of defending themselves against civil legal proceedings taken against them. To the extent permitted by law the Company also indemnifies its Directors and officers. Neither protection applies in the event of fraud or dishonesty.



### **Nominations Committee**

The committee consists of Mr Shishir Kumar Poddar and Mr Christian Dennis. The committee meets as required to fulfil its duties of reviewing the Board structure and composition and identifying and nominating candidates to fill Board vacancies as they arise.

No formal induction process exists for new Directors, but the Chairman ensures that each individual is given a tailored introduction to the Company and fully understands the requirements of the role.

### **Appraisal of Executive Directors**

The CEO shall be carrying out an annual formal appraisal of the performance of the Executive Director taking into account the objectives set in the previous year and the individual's performance in the fulfilment of these objectives. All the appraisals of the Executive Directors shall be provided to the Remuneration Committee.

### **Audit Committee**

Formal terms of reference for the committee have been documented and are made available for review at the AGM.

The terms of reference of the Audit Committee include the following requirements:

- To monitor the integrity of financial statements and of any formal announcements relating to the Company's financial performance.
- To review the Company's internal controls and risk management systems.
- To make recommendations to the Board in relation to internal control matters that require improvement or modification.
- To make recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditor and to approve remuneration.
- To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process.
- To establish and monitor whistle blowing procedures.

No internal audit function exists due to the size of the Group. This is reviewed annually by the Audit Committee which reflects on any increased risk or regulatory changes in the period under review in making their recommendation to the Board.

The Audit Committee met once during the year and once after the year end. Matters considered at these meetings included: reviewing and approving the report and financial statements for the period ended 31 March 2018; discussion with the external auditors to confirm their independence and scope for audit work; considering the reports from external auditors identifying any accounting or judgemental issues requiring the board's attention and the auditors' assessment of internal controls; reviewing the company's risk register and business continuity procedures; and considering the adequacy of the whistle-blowing facility, the anti-bribery training and monitoring and data protection policy and procedures.

The Audit Committee is chaired by Shishir Kumar Poddar.

### **Internal controls**

The Board is responsible for the Group and the Company's system of internal control and for reviewing its effectiveness and the same are well documented. The same are in operation which is appropriate for the Group and Company in its current state.

The Audit Committee shall each year be considering if the current level of internal control is appropriate. On advice from the Audit Committee, the Board does not consider any additional independent verification of the system of internal control to be required, based on the size of the Company and the Group, and the non-complex nature of both its management systems and financial structure.

**Remuneration Committee**

The Remuneration Committee currently comprises Mr Shishir Kumar Poddar (Chairman) and Mr Christian Dennis.

The Remuneration Committee reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The Remuneration Committee meets as and when is necessary.

The Remuneration Committee seeks to provide the remuneration packages necessary to attract, retain and motivate Executive Directors of the quality required to manage the business of the Group and seeks to avoid paying more than is necessary for this purpose. In establishing the level of remuneration of each director the committee has regard to packages offered by similar companies.

Consistent with this policy, the benefit packages awarded to Executive Directors comprise a mix of performance and non-performance elements. During 2018, none of the Executive Directors' pay was based on the Group achieving financial targets.

**Directors' emoluments**

The following table summarises the emoluments of Directors during the year.

	Salary and fees	Pension	Benefits	2018 Total
	£	£	£	£
Mr Shishir Kumar Poddar	120,000	-	-	120,000
Mr Christian Dennis	36,000	-	-	36,000
Mr Hemant Kumar Poddar	36,000	-	-	36,000
<b>TOTAL</b>	<b>192,000</b>	<b>-</b>	<b>-</b>	<b>192,000</b>

**Dialogue with major shareholders**

The Board is committed to maintaining effective communication and having constructive dialogue with its stakeholders. The Company intends to have ongoing relationships with both its private and institutional shareholders (through meetings and presentations), and for them to have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting.

**Annual general meeting**

At its AGM the Company complies with the provisions of the Code relating to the disclosure of proxy votes, the separation of resolutions and attendance of Directors, particularly committee chairpersons. The timing of the despatch of the formal notice of the AGM also complies with the Code.

This report was approved by the Board of Directors on 19 October 2018 and signed on its behalf by:



**Mr Shishir Kumar Poddar**  
Executive Chairman and Managing Director

## Independent auditor's report

to the members of Tirupati Graphite plc  
Annual Report and Financial Statements  
period ended 31 March 2018



### Opinion

We have audited the financial statements of Tirupati Graphite Plc (the 'Company') and its subsidiaries (the "Group") for the year ended 31 March 2018 which comprise the Group Income Statement, the Group statement of comprehensive income, the Group and Parent Company statements of changes in equity, the Group and Parent Company statements of financial position, the Group statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our opinion is not modified in this respect.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Key audit matter

##### Accounting Estimates

To assess whether the accounting estimates are prepared on a reasonable and consistent basis and disclosed in the financial statements.

#### How we addressed it

We have considered the basis of the accounting estimates applied when preparing the financial statements and considered the responses to audit questions with professional scepticism.

## Independent auditor's report (continued)

to the members of Tirupati Graphite plc  
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### Key audit matter

### How we addressed it

#### Related Parties

We are required to consider if the disclosures made in the financial statements are complete and accurate and to consider whether the processes for the identifying related parties and related party transactions are appropriate.

We have assessed the Company's procedures for identifying related parties and ensuring the completeness of the disclosures that are included in the audit planning pack.

#### Management override of controls

We are required to consider how management biases could affect the results of the company.

We have considered the controls in place, remained alert for material and unusual items and tested a sample of journals to assess the risk

### **Our application of materiality**

Materiality for the Group financial statements as a whole was set at £130,000. This is the first year the Group has been audited as it was incorporated in the year.

This has been calculated as 3% of the benchmark of gross assets, which we have determined, in our professional judgment, to be one of the principal benchmarks within the financial statements relevant to members of the Company in assessing financial performance of the Group.

Materiality for the parent company financial statements was set at £130,000, determined with reference to a benchmark of 3 % on gross assets.

We report to the Directors all corrected and uncorrected misstatements we identified through our audit with a value in excess of £6,500, in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

### **An overview of the scope of our audit**

Our audit is risk based and is designed to focus our efforts on the areas at greatest risk of material misstatement, aspects subject to significant management judgement as well as greatest complexity, risk and size.

We consider management override and related parties to be qualitatively material. Although it is not the responsibility of the auditor to discover fraud, clearly any instances of fraud which we detect are material to the users of the financial statements. We have tested manual and automated journal entries, with a focus on those journal entries at year end. In addition, as part of our audit procedures to address this fraud risk, we assessed the overall control environment and reviewed whether there had been any reported actual or alleged instances of fraudulent activity during the year. For Related Parties, we have inquired with the client as the relevant related parties. We have also assessed the Company's procedures regarding related parties.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the required to report that fact. We have nothing to report in this regard.

## Independent auditor's report (continued)

to the members of Tirupati Graphite plc  
Annual Report and Financial Statements  
period ended 31 March 2018



### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

  
**Jonathan Bradley-Hoare (Senior statutory auditor)**

**for and on behalf of Welbeck Associates**

**Chartered Accountants and Statutory Auditor**

London, United Kingdom

19 October 2018

## Consolidated Income Statement

### For the year ended 31 March 2018

	Notes	2018 £
<b>Continuing operations</b>		
Revenue		28,001
Cost of Sales		(14,293)
<b>Gross profit</b>		<b>13,708</b>
Administrative expenses		(560,483)
Operating loss	7	(546,775)
Finance costs		(114)
Loss before income tax		(546,889)
Income tax expense	9	17,758
<b>Loss for the year attributable to owners of the Company</b>		<b>(529,131)</b>
<b>Loss per share attributable to owners of the Company</b>		Pence per share
From continuing operations:		
Basic & diluted	10	1.68p

## Consolidated Statement of Comprehensive Income

### For the year ended 31 March 2018

	2018 £
Loss for the period	(529,131)
<b>Total comprehensive loss for the year attributable to the Group</b>	<b>(529,131)</b>

The Group was incorporated during the current year, therefore there are no comparative figures presented.

The accompanying accounting policies and notes are an integral part of these financial statements

## Consolidated and Company Statement of Financial Position

As at 31 March 2018

		Group 2018 £	Company 2018 £
	Notes		
<b>Non-current assets</b>			
Goodwill	11	2,900,310	-
Investments in subsidiaries	13	-	3,000,000
Property, plant and equipment	14	312,852	-
Deferred tax other		19,794	-
Intangible assets	12	506	-
<b>Total non-current assets</b>		<b>3,233,462</b>	<b>3,000,000</b>
<b>Current assets</b>			
Trade and other receivables	15	644,538	1,127,005
Inventory		2,158	-
Cash and cash equivalents		504,122	373,022
<b>Total current assets</b>		<b>1,150,818</b>	<b>1,500,027</b>
<b>Current liabilities</b>			
Trade and other payables	16	763,180	662,950
<b>Total current liabilities</b>		<b>763,180</b>	<b>662,950</b>
<b>Net current assets</b>		<b>387,638</b>	<b>837,077</b>
<b>NET ASSETS</b>		<b>3,621,100</b>	<b>3,837,077</b>
<b>Equity</b>			
Share capital	18	1,125,065	1,125,065
Share premium account		3,025,166	3,025,166
Retained losses		(529,131)	(313,154)
<b>Equity attributable to owners of the Company</b>		<b>3,621,100</b>	<b>3,837,077</b>
<b>TOTAL EQUITY</b>		<b>3,621,100</b>	<b>3,837,077</b>

The Group and Company were incorporated during the current year, therefore there are no comparative figures presented.

The financial statements on pages 53-72 were approved by the Board of Directors on 19 October 2018 and signed on its behalf by:



Mr Shishir Poddar  
Director

Company registration number: 10742540



## Consolidated Statement of Changes in Equity

### For the year ended 31 March 2018

	Share capital	Share premium	Retained losses	TOTAL EQUITY
	£	£	£	£
<b>Balance at 1 April 2017</b>	-	-	-	-
Loss for the period	-	-	(529,131)	(529,131)
Shares issued	1,125,065	3,075,166	-	4,200,231
Cost of shares issued	-	(50,000)	-	(50,000)
<b>Balance at 31 March 2018</b>	<b>1,125,065</b>	<b>3,025,166</b>	<b>(529,131)</b>	<b>3,621,100</b>

The Group was incorporated during the current year, therefore there are no comparative figures presented.

The accompanying accounting policies and notes are an integral part of these financial statements.

**Share capital** – Represents the nominal value of the issued share capital.

**Share premium account** – Represents amounts received in excess of the nominal value on the issue of share capital less any costs associated with the issue of shares.

**Retained earnings** – Represents accumulated comprehensive income for the year and prior periods.



## Company Statement of Changes in Equity

### For the year ended 31 March 2018

	Share capital	Share premium	Retained losses	TOTAL EQUITY
	£	£	£	£
<b>Balance at 1 April 2017</b>	-	-	-	-
Loss for the period	-	-	(313,154)	(313,154)
Shares issued	1,125,065	3,075,166	-	4,200,231
Cost of shares issued	-	(50,000)	-	(50,000)
<b>Balance at 31 March 2018</b>	<b>1,125,065</b>	<b>3,025,166</b>	<b>(313,154)</b>	<b>3,837,077</b>

The Company was incorporated during the current year, therefore there are no comparative figures presented.

The accompanying accounting policies and notes are an integral part of these financial statements.

## Consolidated Statement of Cash Flows

### For the year ended 31 March 2018

	2018 £
<b>Operating loss</b>	<b>(546,889)</b>
Adjustment for:	
Depreciation	5,089
Foreign exchange loss	14,088
(Increase) in inventories	(2,158)
(Increase) in receivables	(644,538)
Increase in payables	763,180
Finance costs	114
Income tax	(17,778)
<b>Net cash used in operating activities</b>	<b>(428,892)</b>
<b>Cash flows from investing activities:</b>	
Investment in subsidiary	(3,000,000)
Purchase of tangible assets	(121,005)
Purchase of other assets	(191,847)
Purchase of intangible assets	(506)
Net advances received	96,141
<b>Net cash from investing activities</b>	<b>(3,217,217)</b>
<b>Cash flows from financing activities</b>	
Shares issued	4,200,231
Costs of shares issued	(50,000)
<b>Net cash from financing activities</b>	<b>4,150,231</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>504,122</b>
<b>Cash and cash equivalents brought forward</b>	<b>-</b>
<b>Cash and cash equivalents carried forward</b>	<b>504,122</b>

The Group was incorporated during the current year, therefore there are no comparative figures presented.

The accompanying accounting policies and notes are an integral part of these financial statements.



## 1. General information

Tirupati Graphite plc (the “Company”) is incorporated in England and Wales, under the Companies Act 2006. The address of the registered office is given on page 1.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group’s operations are set out in the strategic report on pages 38-42.

These consolidated financial statements are presented in pounds sterling since that is the currency of the primary economic environment in which the Company operates.

## 2. Adoption of new and revised International Financial Reporting Standards (IFRSs)

### New and revised IFRSs in issue but not yet effective

At date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective and not early adopted.

IFRS 2	Amendments – Classification and measurement of share-based payments transactions
IFRS 9	Financial instruments
IFRS 15	Revenue from contracts with customers, and the related clarifications
IFRS 16	Leases
IFRIC 22	Foreign currency transactions and advanced consideration

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group.

## 3. Significant accounting policies

### Basis of preparation

These consolidated financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the European Union (adopted IFRS).

The financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at the fair values at the end of the reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The principal accounting policies adopted are set out on the following pages.

### Going concern

The Group’s business activities, together with the factors likely to affect its future development, performance and position are set out in these financial statements. The financial position of the Group and the Company, their cash flows and liquidity positions are described in the business review. In addition, note 19 includes the Group’s objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposure to credit risk and liquidity risk. The Group and the Company meet their day to day working capital requirements through its ability to raise either share capital or borrowings.

Taking in to account the comments above, the Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the financial statements.



### **Basis of consolidation**

The Group financial statements consolidate the financial statements of the Company and all its subsidiaries (“the Group”). Subsidiaries include all entities over which the Company has the power to govern financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control commences until the date that control ceases. Intra-group balances and any unrealised gains and losses on income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

The acquisition method of accounting is used to account for business combinations. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

### **Goodwill**

Goodwill on acquisition of subsidiaries represents the excess of the cost of acquisition over the fair value of the Group’s share of the identifiable net assets and contingent liabilities acquired. Identifiable assets are those which can be sold separately, or which arise from legal rights regardless of whether those rights are separable. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but is tested annually, or when trigger events occur, for impairment and is carried at cost less accumulated impairment losses.

### **Segment reporting**

An operating segment is a component of the Group that engages in business activity from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with and of the Group’s other components. All operating segments’ operating results, for which discrete financial information is available, are reviewed regularly by the Group’s Board to make decisions about resources to be allocated to the segment and assess its performance. As a result of the acquisition during the year, the Group reports on a three-segment basis – holding company expenses, mining exploration and development and graphite mining extraction.

### **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

#### *Sale of goods*

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

### **Foreign currencies**

For the purposes of the consolidated financial statements, the results and financial position of each group companies are presented in pounds sterling, which is the functional currency of the Company. At balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Income and expense items are translated at the average exchange rates for the period.

### **Operating profit**

Operating profit is stated after charging restructuring costs and after the share of result of associates but before investment income and finance costs.

## Notes to the financial statements (continued)

Annual Report and Financial Statements  
period ended 31 March 2018



### Taxation

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

#### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

#### *Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of 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 each balance sheet date 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.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

#### *Current tax and deferred tax for the year*

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.

### Property, plant and equipment

Property, plant and equipment in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

**Notes to the financial statements (continued)**

Annual Report and Financial Statements  
period ended 31 March 2018



Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Plant and machinery	10%-25% per annum
Fixtures and fittings	10%-25% per annum

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

**Internally-generated intangible assets — research and development expenditure**

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

**Intangible assets acquired in a business combination**

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

**Derecognition of intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

## Notes to the financial statements (continued)

Annual Report and Financial Statements  
period ended 31 March 2018



### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

### Investments

Investments in subsidiaries are held at cost less any impairment.

### Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

### Financial assets

Financial assets are initially measured at fair value, net of transaction costs except for those financial assets classified as fair value through profit or loss which are initially measured at fair value. Other financial assets are classified into the following specified categories: financial assets as "at fair value through profit and loss" and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

### Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The principal financial assets of the Company are loans and receivables, which arise principally through the provision of goods and services to customers (e.g. trade receivables) but also incorporate other types of contractual monetary assets. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets.

The Group's loans and receivables are recognised and carried at the lower of their original amount less an allowance for any doubtful amounts. An allowance is made when collection of the full amount is no longer considered possible.

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the Consolidated Statement of Financial Position.

### Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents in the consolidated cash flow statement.

### *Financial assets - impairment*

A financial asset is assessed at each reporting date to determine whether there is any evidence that it is impaired. A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individual significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in the consolidated income statement.

### *Non-financial assets - impairment*

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets, including Goodwill, to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Provision is made for any impairment and immediately expensed in the period.



***Non-financial assets – impairment (continued)***

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

**Financial liabilities and equity instruments issued by the group**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issued costs.

**Trade payables**

Trade payables are initially measured at fair value, and are subsequently measured at amortised costs, using the effective interest rate method.

**Other financial liabilities**

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, as set out above, with interest expense recognised on an effective yield basis.

**Share capital**

**Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of Ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

**4. Critical accounting estimates and judgements**

The preparation of financial statements in conformity with adopted IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of sales and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or action, actual results ultimately may differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

**a. Going concern basis of preparation**

The adoption of the going concern basis by the Directors is following a review of the current position of the Company and the forecasts for the next 18 months from the date of approving these financial statements.

The Group's continuing activities in 2018 incurred a loss of £529,131. In addition, as at 31 March 2018 there was a cash balance of £504,122.

**Notes to the financial statements (continued)**Annual Report and Financial Statements  
period ended 31 March 2018**a. Going concern basis of preparation (continued)**

However, after making enquiries, the Directors have formed a judgement that there is a reasonable expectation that the Company can secure further adequate resources, to enable it to continue in operational existence for the foreseeable future. Thus, adequate arrangements will be in place to enable the settlement of their financial commitments.

For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Whilst there are inherent uncertainties in relation to future events, and therefore no certainty over the outcome of the matters described, the Directors consider that, based upon financial projections and dependent on the success of their efforts to complete these activities, the Company will be a going concern for the next twelve months. If it is not possible for the Directors to realise their plans, over which there is significant uncertainty, the carrying value of the assets of the Company is likely to be impaired.

**b. Impairment of assets**

The Company is required to test, on an annual basis, whether its non-current assets have suffered any impairment. Determining whether these assets are impaired requires an estimation of the value in use of the cash-generating units to which the assets have been allocated. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate to calculate the present value. Subsequent changes to the cash generating unit allocation or to the timing of cash flows could impact on the carrying value of the respective assets.

**c. Accounting for provisions**

The Directors consider the nature of any outstanding legal or constructive claims on the Group to determine the accounting treatment required in accordance with note above.

**5. Segmental analysis**

The Directors believe, under IAS 14 – “Segmental Information”, the Group operated in three primary business segments in 2018, being holding company expenses, mining exploration and development and graphite mining extraction.

**Segmentation by continuing businesses***Segment results*

	2018
	£
<b>Revenue to external customers</b>	
Holding Companies	28,001
Mining Exploration and Development	-
Graphite Mining Extraction	28,616
<b>Loss before income tax</b>	
Holding Companies	407,053
Mining Exploration and Development	97,317
Graphite Mining Extraction	11,642
<b>Net assets</b>	
Holding Company	3,897,165
Mining Exploration and Development	(122,128)
Graphite Mining Extraction	4,528

**Notes to the financial statements (continued)**Annual Report and Financial Statements  
period ended 31 March 2018**Segmentation by geographical area:**

	2018 £
<b>Revenue to external customers</b>	
UK	28,001
Mauritius	-
Madagascar	28,616
<b>Loss before income tax</b>	
UK	313,154
Mauritius	93,899
Madagascar	108,959
<b>Net assets</b>	
UK	3,837,077
Mauritius	60,088
Madagascar	(117,599)

**6. Finance costs**

	2018 £
Interest payable	114

**7. Operating loss**

	2018 £
The following items have been included in arriving at operating loss	
Staff costs	
Depreciation	5,089
Net foreign exchange loss	14,088
Auditor's remuneration has been included in arriving at operating loss as follows:	
Fees payable to the Company's auditor and their associates for the audit of the Group's annual accounts	20,000
Total non-audit fees	-

**8. Employee information**

The average monthly number of employees (including Executive Directors) was:

	2018 £
Number of employees for the year:	75
Staff costs (for the above employees)	192,000
Wages and salaries	35,400
Social security costs	9,646
	<b>237,046</b>

**8. Employee information (continued)****Directors' remuneration and transactions**

	2018
	£
<b>Directors' remuneration</b>	
Emoluments and fees	192,000
	£
<b>Remuneration of the highest paid director:</b>	
Emoluments and fees	120,000
Benefits and other fees	-

The highest paid director did not exercise any share options in the year.

**9. Income tax expense**

	2018
	£
Current tax	-
Total current tax	-
Deferred tax	20
Charge to the income statement	(17,778)
	(17,758)
Total tax on loss	2018
The tax assessed for the period is different from the standard rate of income tax, as explained below:	£
Loss before tax on continuing operations	(546,889)
Loss before tax multiplied by the standard rate of income tax of 19%	(103,909)
Adjustments to tax in respect of prior periods	-
Tax (credit)/charge for period	(103,909)

**10. Earnings per share****Basic and diluted**

Earnings per share is calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of Ordinary shares in issue during the period.

	2018
<b>Continuing operations:</b>	
Loss attributable to equity holders of the Company (£)	(529,131)
Weighted average number of shares in issue	31,470,412
<b>Loss per share (pence)</b>	<b>1.68p</b>

There was no dilutive effect from the options outstanding during the period.

**Notes to the financial statements (continued)**Annual Report and Financial Statements  
period ended 31 March 2018**11. Goodwill**

<b>Group</b>	<b>2018</b>
	<b>£</b>
<b>Cost</b>	
At 1 April 2017	-
Additions	2,900,310
<b>At 31 March 2018</b>	<b>2,900,310</b>

**Net book value**

At 1 April 2017	-
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<b>At 31 March 2018</b>	<b>2,900,310</b>
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The goodwill arising on the purchase of Tirupati Resources Mauritius is not being amortised but will be reviewed on an annual basis for impairment, or more frequently if there are indications that goodwill might be impaired. The impairment review comprises a comparison of the carrying amount of the goodwill with its recoverable amount (the higher of fair value less costs to sell and value in use).

**12. Intangible Assets**

<b>Group</b>	<b>2018</b>
	<b>£</b>
<b>Cost</b>	
At 1 April 2017	-
Additions	506
<b>At 31 March 2018</b>	<b>506</b>

**Accumulated amortisation**

At 1 April 2017	-
Charge for the year	-
<b>At 31 March 2018</b>	<b>-</b>

**Net book value**

At 1 April 2017	-
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<b>At 31 March 2018</b>	<b>506</b>
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The intangible assets arise from the incorporation costs which were capitalised in Tirupati Madagascar Ventures.

**13. Investments**

<b>Company</b>	<b>Shares in group undertaking</b>
	<b>2018</b>
	<b>£</b>
<b>Cost</b>	
At 1 April 2017	-
Additions	3,000,000
<b>At 31 March 2018</b>	<b>3,000,000</b>

**Net book value**

At 1 April 2017	-
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<b>At 31 March 2018</b>	<b>3,000,000</b>
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**Notes to the financial statements (continued)**Annual Report and Financial Statements  
period ended 31 March 2018**13. Investments (continued)**

The Company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Subsidiaries****Tirupati Resources Mauritius**

Registered: Mauritius

Nature of business: Holding and administrative entity

	%
Class of share	Holding
Ordinary shares	100

**Tirupati Madagascar Ventures**

Registered: Madagascar

Nature of business: Evaluation and exploration of mining operations

	%
Class of share	Holding
Ordinary shares	100

**Etalissements Rostaing**

Registered: Madagascar

Nature of business: Graphite mining extraction

	%
Class of share	Holding
Ordinary shares	100

**14. Property, plant and equipment**

Group	Plant and Machinery	Fixtures and Fittings	Assets under construction	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2017	-	-	-	-
Acquisition from subsidiary	166,608	8,423	191,847	<b>366,878</b>
At 31 March 2018	166,608	8,423	191,847	<b>366,878</b>
<b>Accumulated depreciation and impairment</b>				
At 1 April 2017	-	-	-	-
Acquisition from subsidiary	50,055	3,971	-	<b>54,026</b>
At 31 March 2018	50,055	3,971	-	<b>54,026</b>
<b>Carrying amount</b>				
As at 1 April 2017	-	-	-	-
<b>As at 31 March 2018</b>	<b>116,553</b>	<b>4,452</b>	<b>191,847</b>	<b>312,852</b>

**Notes to the financial statements (continued)**Annual Report and Financial Statements  
period ended 31 March 2018**15. Trade and other receivables**

	Group 2018 £	Company 2018 £
Trade debtors	67,413	28,896
Other debtors	570,352	335,454
Advances to directors for expenses	1,307	1,307
Amounts owed by group undertakings	-	761,348
Prepayments	5,466	-
	<b>644,538</b>	<b>1,127,005</b>

In the Directors' opinion, the carrying amounts of receivables is considered a reasonable approximation of fair value. The Group monitors on a monthly basis the receivable balance and makes impairment provisions when debt reaches a certain age. There are no significant known risks as at 31 March 2018.

**16. Trade and other payables**

	Group 2018 £	Company 2018 £
Trade payables	36,803	
Social security and other taxes	3,842	3,842
Other payables	526,824	465,037
Accruals	195,711	194,071
	<b>763,180</b>	<b>662,950</b>

In the Directors' opinion, the carrying amount of payable is considered a reasonable approximation of fair value.

**17. Provisions**

There are no provisions in the year or as at year end.

**18. Share capital**

	2018 Number	2018 £
<b>Allotted, called up and fully paid</b>		
Ordinary shares of 2.5p each	45,002,609	1,125,065
Ordinary "A" Shares	45,002,609	1,125,065

Shares were issued during the year as follows:

	Number of shares issued
Shares issued upon incorporation of the Company	2,000,000
Shares issued on 19 July 2017 for the purchased oh Tirupati Resources Mauritius	30,000,000
Shares issued from a placing on 2 October 2017	13,002,609
	<b>45,002,609</b>

**19. Financial instruments****Financial risk management**

The Group has exposure to the following risks from its use of financial instruments:

- Capital risk management
- Market risk
- Credit risk
- Liquidity risk
- Currency risk

This note presents information about the Group's exposure to each of the above risks, the Group's management of capital, and the Group's objectives, policies and procedures for measuring and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

**Capital risk management**

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders as well as sustaining the future development of the business. In order to maintain or adjust the capital structure, the Group may adjust dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Group consists of net debt, which includes loans, cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued capital and retained earnings.

Fair value of financial assets and liabilities

	<b>Valuation, methodology and hierarchy</b>	<b>Book value 2018 £</b>	<b>Fair value 2018 £</b>
<b>Financial assets</b>			
Cash and cash equivalents	(a)	<b>504,122</b>	<b>504,122</b>
Loans and receivables, net of impairment	(a)	<b>644,538</b>	<b>644,538</b>
<b>Total at amortised cost</b>		<b>1,148,660</b>	<b>1,148,660</b>
<b>Financial liabilities</b>			
Trade and other payables	(a)	<b>763,180</b>	<b>763,180</b>
Borrowings and provisions	(a)	-	-
<b>Total at amortised cost</b>		<b>763,180</b>	<b>763,180</b>

**Valuation, methodology and hierarchy**

(a) The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and deferred income, and Borrowings are all stated at book value. All have the same fair value due to their short-term nature.



**19. Financial instruments (continued)****Market risk**

Market price risk arises from uncertainty about the future valuations of financial instruments held in accordance with the Group's investment objectives. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future of the economy and its impact upon the economic environment in which these companies operate.

**Credit risk**

Credit risk is the risk that counterparties to financial instruments do not perform their obligations according to the terms of the contract or instrument. The Group is exposed to counterparty credit risk when dealing with its customers and certain financing activities.

The immediate credit exposure of financial instruments is represented by those financial instruments that have a net positive fair value by counterparty at 31 March 2018. The Group considers its maximum exposure to be:

	<b>2018</b>
	<b>£</b>
<b>Financial assets</b>	
Cash and cash equivalents	<b>504,122</b>
Loans and receivables, net of impairment	<b>644,538</b>
	<b>1,148,660</b>

All cash balances are held with an investment grade bank who is our principal banker. Although the Group has seen no direct evidence of changes to the credit risk of its counterparties, the current focus on financial liquidity in all markets has introduced increased financial volatility. The Group continues to monitor the changes to its counterparties' credit risk.

**Liquidity risk**

Liquidity risk is the risk the Group will encounter difficulty in meeting its obligations associated with financial liabilities as they fall due. The Board are jointly responsible for monitoring and managing liquidity and ensures that the Group has sufficient liquid resources to meet unforeseen and abnormal requirements. The current forecast suggests that the Group has sufficient liquid resources.

Available liquid resources and cash requirements are monitored using detailed cash flow and profit forecasts these are reviewed at least quarterly, or more often as required. The Directors decision to prepare these accounts on a going concern basis is based on assumptions which are discussed in the going concern note above.

**The following are the contractual maturities of financial liabilities:**

<b>31 March 2018</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6 to 12 months</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Non-derivative financial liabilities</b>						
Trade and other payables	<b>763,180</b>	-	<b>763,180</b>	-	-	-
Borrowings	-	-	-	-	-	-
	<b>763,180</b>	-	<b>763,180</b>	-	-	-



### **Cash flow management**

The Group produces an annual budget which it updates quarterly with actual results and forecasts for future periods for profit and loss, financial position and cash flows. The Group uses these forecasts to report against and monitor its cash position. If the Group becomes aware of a situation in which it would exceed its current available liquid resources, it would apply mitigating actions involving reduction of its cost base. The Group would also employ working capital management techniques to manage the cash flow in periods of peak usage.

### **Currency risk**

The Group currently has minimal exposure to foreign currency and thus does not engage in any hedging activity. The Group liquidated its overseas subsidiaries during 2010 and therefore has no exposure to foreign exchange gains or losses.

## **20. Related party transactions**

Tirupati Carbons and Chemical Pvt Limited (TCCPL) is an entity incorporated in India. The Company is connected to TCCPL in that both Shishir Poddar and Hemant Poddar were both directors and shareholders of TCCPL during the year. At year end, a net amount was receivable of £125,497 from TCCPL.

## **21. Events after the reporting period**

Mr Rajesh Kedia was appointed as a non-executive director of Tirupati Graphite plc on 31 May 2018.

The Company issued shares with a nominal value of 2.5p as follows:

- 5,335,300 shares were issued at 10p on 31 May 2018
- 2,105,000 shares were issued at 20p on 5 June 2018
- 2,325,187 shares were issued at 20p on 19 July 2018
- 3,100,000 shares were issued at 20p on 14 September 2018.