Tirupati Graphite plc

Annual report and financial statements for the year ended 31 March 2022

Registered number: 10742540

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Company Information

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COMPANY REGISTRATION NUMBER:	**10742540**
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Chairman's Statement

As always, I extend a very warm welcome to the new members of our company and our dedicated, long-term stakeholders. Tirupati Graphite ('TG") has continued to evolve and expand over the past year, helping to address the increasing demand for graphite, one of the key critical minerals in the energy transition. Amidst this wider market demand, value creation remains core to our culture, and we continue to leverage our extensive graphite expertise and key principles to drive sustainable value across our stakeholder base. We have adopted four key principles of value creation since our inception, which have evolved with us and continue to guide us:

- *Value creation for our shareholders:*

  Through carefully considered and well-crafted business strategies and plans, and adopting a culture of cost effectiveness, hard work, and delivering on targets.

- *Value creation for the planet and for future generations:*

  By developing unique materials which have many 'green' applications and developing technologies and processes to minimise emission and waste generation.

- *Value creation for our employees:*

  By providing opportunities for performance and learning, achieving corporate goals and personal development, to inspire quality delivery on our objectives and values.

- *Value creation for the local communities we operate in:*

  By looking after our employees and their families and providing healthcare, education and recreational facilities and support for local communities, helping bring communities together and improving their general quality of life.

This year was the first full year since our ordinary shares were admitted to trading on the standard segment of the main markets of The London Stock Exchange ("LSE"). While we continued to evolve the development of our projects in Madagascar, we also sharpened our long term aims, targeting circa 8% of the global flake graphite market or 400,000 tpa by 2030. Flake Graphite and its derivatives are essential materials in technologies for achieving improved energy efficiency, e-mobility, fire hazard safety, thermal management and evolution of new age materials. We recognise its importance as a material, its market demand expectations, the economics that create a sound business model, and the opportunities it brings to us.

During the year under review, I am pleased to report that considerable progress was made towards achieving our first stage objective of establishing a globally significant flake graphite capacity at our Madagascar operations. Our leadership and team found innovative solutions for substantially insulating our progress and operations to remain robust, despite initial headwinds. A more detailed account is contained in the following sections of the report.

Tirupati Graphite has significant differentiators which provide us the key strengths in our endeavour to create value for our shareholders.

1. We have a strong track record over our five years of operations. Vatomina was a brownfield project at incipient stage when we acquired it 2017. When we acquired Sahamamy later that year, it was a primitive and small operation producing 20 tons flake graphite a month. In December 2020, our equity shares were admitted to trading on the LSE when we were a small 3,000 tpa operation in Sahamamy. Due to the hard work of our workforce over the last two years we are on the cusp of reaching a globally significant capacity of 30,000 tons per annum flake graphite production. We have progressed this in spite of headwinds from the pandemic and materially adverse weather conditions. This comes from the level of commitment of the company's leadership and operational teams, as well as our deep expertise in graphite. .

2. Since December 2020, we have raised gross proceeds of GBP 16 million, plus a recent small raise on CLN's to meet the gap funding of c. 1 million GBP to complete the above targets. The quantum of capacity created and other feats like small hydro power plant establishment, project infrastructure development, continued second phase of exploration, extensive additional human resources development for increasing capacities and more as reported by the company on a regular basis provide a one to one comparable for peer analysis on the company's ability to derive output at lower investments. This remains our strength with strategic decisions taken by the company as we adapt to the ecosystem of our projects' locations. This strength creates value for our shareholders and provides a comparable to our peers.

3. We have demonstrated positive operating margins even from very small operations, and as we grow, we are confident that we will benefit from economies of scale. We are now reaching the stage of further demonstration of these economies of scale and will continue our endeavour to remain a low-cost structure producer.

As the Energy Transition gathers pace, and the demand for graphite increases, we will continue to push ahead with our ambitious goal to be a global leader supplying graphite to 8% of the market. We look forward to updating stakeholders in due course as we make the necessary steps towards this target.

Shishir Poddar
Executive Chairman & Managing Director

30 September 2022

Business Review

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/your 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 2022.

A. RECAP

Incorporated in April 2017, Tirupati Graphite Plc is a company developing its business as a specialist flake graphite company and developing advanced materials, which significantly contribute to the green economy being critical to the energy transition goals and the world of advanced materials. Setting the base for its business development until it completed its Initial Public Offering and admission to the main markets of the London Stock Exchange on 14 December 2020, The Company has remained focused on furthering the business and progressing towards its strategic targets. The products and services being developed by the Company contribute to reducing greenhouse gas emissions, generating green and clean energy, energy efficiency, e-mobility, improved resource utilisation and more.

Through its two subsidiaries in Madagascar, the Company holds c.33 square kilometres flake graphite mining permits issued for forty years and is engaged in developing these to a target 84,000 tons per annum output capacity.

The Company utilises proprietary environmentally friendly processes and scalable technologies to deliver affordable products and services to its global customers. During 2019, the Company successfully commissioned its initial 3,000 tpa primary graphite production unit at the Sahamamy Project. Having successfully proven the concepts, post its admission and IPO, the Company engaged in larger scale developments, setting up and commissioning a 9,000 tpa module at the Vatomina Project and starting construction of the next 18,000 tpa plant at Sahamamy.

In October 2018, the Company entered into an agreement to acquire the then issued share capital of Tirupati Speciality Graphite Private Limited ("TSG"), an Indian private company then engaged in developing downstream processing of flake graphite and development of graphene and advanced materials. TSG has developed 1,200 tpa intercalated flake graphite products for flame retardant and other applications. TSG also intended to develop a range of eco-friendly technologies for manufacture of a gamut of flake graphite used in hi-tech applications including purification, intercalation, micronisation and spheroidisation. Additionally, TSG intended to develop a technology centre for graphene manufacture and applications development and mineral processing technology. The agreement was subject to applicable regulatory approvals.

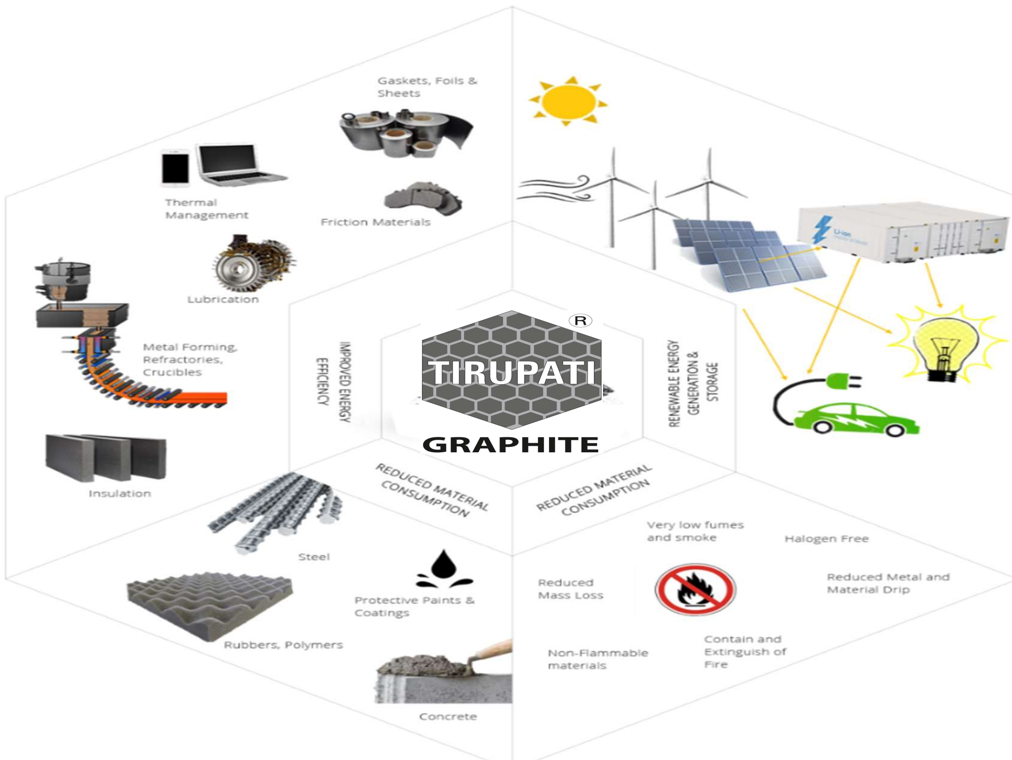
In August 2021 the company also entered into an agreement for acquisition of Suni Resources SA ('Suni"), beneficially owned by Battery Minerals Ltd, an ASX listed Australian company. Suni holds two flake graphite mineral concessions in Mozambique, the Montepuez and Balama Central projects. Montepuez is an advanced stage construction-initiated project and Balama Central a BFS level ready for development project. The transaction is awaiting regulatory approvals refer page 20.

The Company adopted a modular development strategy designed with the flexibility for expansion of its operating projects based on the evolution of the global flake graphite and graphene markets and their derivative products. The strategy has brought the Company into early-stage operations at investments lower than its peers and facilitated systematic user based market development for the Company's products.

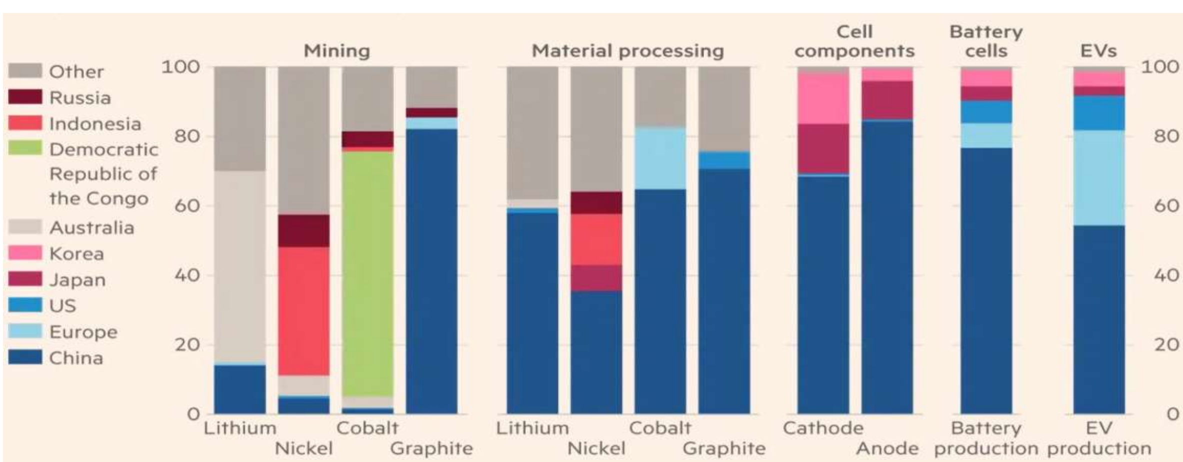
The Company continues to develop its businesses and the year under review saw multifaceted achievements as are further described.

B. ADDRESSABLE MARKETS

The diverse and unique properties of graphite provide an extensive sectoral diversity for the markets for primary and speciality graphite. The long-term demand profile of graphite is highly favourable, including its key role in green mobility as the largest material constituent of lithium ion ("L-ion") batteries. Additionally, graphite has diverse applications in fuel cells, thermal management in electronics, fire safety, metal manufacturing and forming, polymers, composites and other advanced materials.



Over 70% of the primary processed graphite is produced in China, and over 85% of the downstream processed specialty graphite is produced in China. 100% of commercial anode material capacity rests in East Asia today. Thus, diversification of source is essential given the growing demand and importance of flake graphite as a classified critical material in the energy transition economy.



Source: IEA, FT©

Natural graphite is in fact the only major battery mineral where the entire supply chain is currently dominated by a single nation. Being a key component in the energy transition and with extensive dependence on a single dominant source being China, flake graphite has been classified as a critical material by the US, the EU and most recently by the UK under its critical minerals policy. Increasingly, policy initiatives are being announced by governments around the world to secure this and other critical materials which contribute to the Company's advantage of being an alternative, ex-Chinese source of this critical material.

Flake graphite has multiple growing applications with highest demand growth expected from the use in anode of L-ion batteries, graphite being the largest constituent of the battery. It is estimated that about 50 kilograms of graphite are used in an electric vehicle, the market of which expanded by more than 100% in 2021 as compared to 2020. The primary sources of natural graphite are very limited outside China. Benchmark forecasts extensive primary capacity development required to meet expected natural graphite demand:

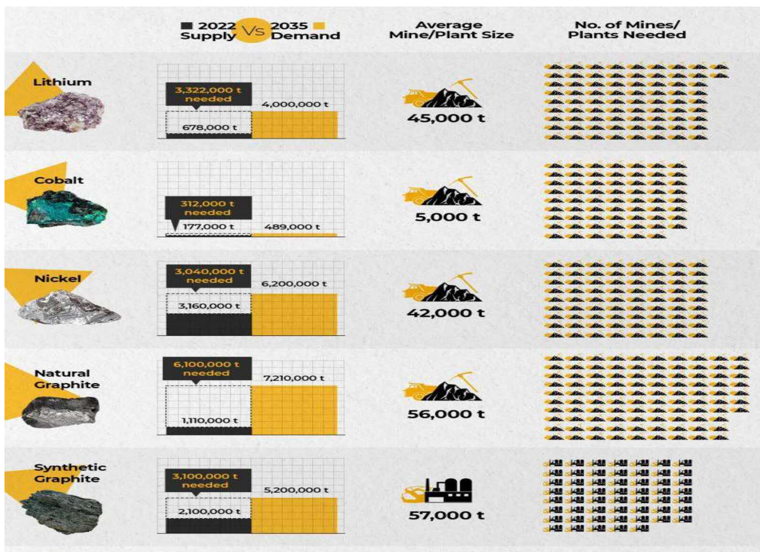


Fig.: Benchmark Forecast of Mine Development required by 2035 for Battery Minerals

UBS projects a 7x growth in natural flake graphite demand growth, primarily from EV penetration, by 2030 to a 5.9 million tons market:

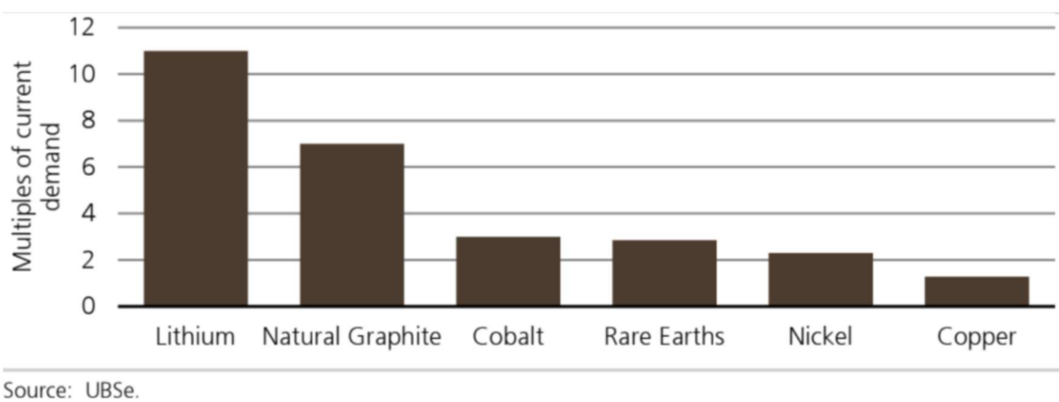


Fig.: Supply Growth Required in Battery Minerals by 2030 as a multiple of Current Demand

The World Bank further estimates that up to 500% increase in production of graphite may be required for batteries alone, while Fast Markets forecast a 32% CAGR for the natural graphite demand growth from batteries. Multiple car manufacturers have disclosed their plans and targets of shifting to EVs from ICE engines over the next 5 - 10 years. Europe has come forward to become the second largest in planned battery capacity region. Similarly, other nations like USA, UK, India and more have seen multiple companies announcing cell manufacturing plans. As the sales of EVs continues to grow strongly even through tough times, the forthcoming demand for its critical components like graphite seem inevitable.

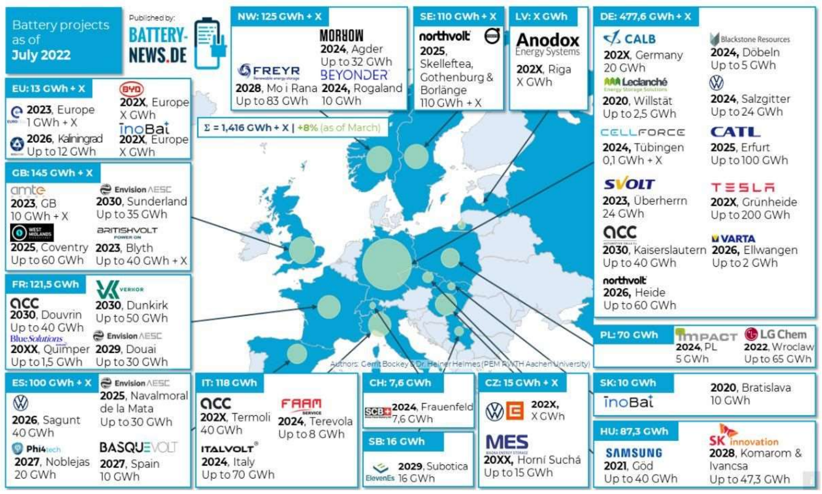


Fig.: Planned Gigafactories across EU & UK (Source: Battery-news.de)

Additionally, conventional applications of graphite have also shown an increased consumption in a few developing nations, with companies focussing on diversifying sources from China. The changing geopolitical landscape in the globe is seeing increasing policy measures from the developed world for localisation of sources and for promoting resource projects of their companies in other friendly jurisdictions.

Furthermore, graphite is being used in other hi-tech applications, forming the core in various new and advanced materials and technologies. For example, expandable graphite is used in gaskets and sheets, fuel cells, flame retardant materials, insulation and more. The demand of natural flake graphite from these applications is also expected to have a significant impact on the consumption of flake graphite over the next few years.

As mentioned, high purity graphite is an essential product in producing battery grade graphite. Currently, most Chinese manufacturers use environmentally damaging processes such as hydrofluoric acid treatment methods, and others globally use an energy intensive ash fusion method for making this product. Over 90% of this material is produced in China. The zero-HF, zero-waste process developed by TSG has received a lot of interest and demand from customers across the USA, EU and East Asia. Use of micronised graphite in composites, paints and recarburization is also expected to grow over the next few years.

Graphene is equally extraordinary; its amazing strength and conductivity, amongst other properties, is set to revolutionise the world of advanced materials with vast amounts of technological developments happening across a range of sectors and applications. These include fast-charging and foldable phones, consumer wearables, supercapacitors, energy storage, aerospace, automotive, defence, medical, high-end sensors, desalination, and filtration. Through its extensive work with a number of these industry players, it is the Company's belief that many of these technologies being researched are on the cusp of mass commercialisation.

In conclusion, being the critical material it is, flake graphite and its downstream speciality graphite markets are poised to grow multiple times.

C. CAPITAL MARKETS ENGAGEMENT

The year under review was the first full year of the Company following its IPO and admission to trading on the standard segment of the main markets of London Stock Exchange. The company adopted a policy of proactive communication with the capital markets, appraising current and prospective investors of the Company's activities on a regular basis through the Regulatory News Service, social media and emails. It also closely coordinated with its advisors, including its brokers and financial advisors, and IR and PR advisors, while maintaining high quality of communications. A summary of the material news flow released via RNS during 1 April 2021 to 31 March 2022 is tabulated below:

Sl No	Date	RNS No	Summary
1	09/04/2021	9550U	Q1 2021 Sahamamy primary graphite operations achieve record production and sales Update on construction of the uprated Vatomina module enhanced to 9,000tpa from 6,000tpa
2	16/04/2021	7094V	Oversubscribed placing to raise £10 million by issuing 11,111,111 ordinary shares of £0.025 each at £0.90 per placing share
3	21/04/2021	0909W	Vatomina mine opening and commencement of operations of the mine to stockpile ore
4	04/05/2021	2908X	Development of Graphene-Aluminium composite by TSG
5	25/06/2021	1262D	Downstream specialty graphite development update including increased sales of CarboflameX® and GrafEN 45545™ in Europe following REACH certification Allotted additional land in Patalganga for expansion of expandable graphite operations
6	29/06/2021	3751D	Primary mining & processing operations update Planned construction activities for the 100Kw hydro power plant

7	06/07/2021	1908E	Marketing MoU with Japanese trading house Hanwa Co., LTD
8	23/07/2021	2098G	Operations commencement at new graphene & technology centre by TSG capable of manufacturing up to 1 kg per day of GO, RGO and Al-Gr Composite
9	17/08/2021	8155I	Proposed strategic acquisition of Mozambique graphite projects from ASX listed Battery Minerals Limited
10	24/08/2021	5270J	Trading Results for the Year Ended 31 March 2021
11	17/09/2021	2002M	Final results and annual report for the year 1 April 2020 to 31 March 2021
12	30/09/2021	5555N	Battery Minerals' shareholder approve the proposed acquisition facilitating progressing requisite in-country approvals for the acquisition
13	04/10/2021	8766N	Graphene research collaboration with Monash University, Australia to develop commercial applications for a range of graphene products
14	12/10/2021	7204O	Received clearance for cross listing of its ordinary shares for trading on OTCQX markets
15	14/10/2021	1245P	Live investor event on 28/10/2021 post AGM earlier during the day
16	28/10/2021	4896Q	AGM Statement
17	29/10/2021	6471Q	Inaugural Sustainability Report Published
18	04/11/2021	2580R	Trading in ordinary shares begins on OTCQX Markets
19	10/11/2021	8439R	Mining licence granted for Balama Central graphite project for production of 50,000tpa of graphite concentrate

20	02/12/2021	2751U	Interim results for the six months ended 30 September 2021 announced
21	09/12/2021	1066V	Commercial production commences at Vatomina
22	20/01/2022	0114Z	Transformational flake graphite processing technology of column flotation system for use across the Company's specialty graphite production plants
23	24/01/2022	2912Z	Construction update of the new 18,000 tpa plant at Sahamamy, new mining equipment landed.
24	22/02/2022	3145C	TGMRC (unit of TSG) develops mineral processing technology solution for Optiva Resources Limited and receive a success fee of 5% equity in ORL being 4,578,175 equity shares and an equal number of transferable warrants with three-year life
25	24/02/2022	6360C	TSG signs an exclusive UK marketing and distribution agreement with Minralis Limited for CarboflameX® and GrafEN 45545® products
26	31/03/2022	6805G	Update on construction of the 18,000 tpa to plant at Sahamamy, to enter production in H2 calendar year 2022

Note: TSG is not part of the group for which consolidated financials are being published as at 31 Mar 2022. For the details of relationship between TG Plc and TSG please refer page 20

Additionally, the Executive Chairman and senior executives of the company held regular interviews with media related to capital markets, the Company held webinars and Q&A sessions with investors, and reached out extensively to appraise the markets of its activities.

The year also experienced strong tailwinds for the EV sector and the global agenda of decarbonisation with COP 26 leading to nations around the globe setting net zero targets. With graphite being an important constituent material, the Company preferred to fast track the development of its projects and undertook a follow-on placing with institutional and other investors. This successfully closed as an oversubscribed placing at an issue price of 90p per share in April 2021 and raising gross proceeds of GBP 10 million led by its broker, Optiva Securities Limited.

The Company also secured memberships with a range of reputable corporate and industry bodies including with ‘The Quoted Companies Alliance’, ‘The Graphene Council’ and ‘The Critical Minerals Association’ and its executives participated in several industry conferences, events and investor meetings organised through these organisations and otherwise.

The Company was awarded the coveted CFI '2022 Global Award for Best Value Creation Strategy' for a second year in row, which was covered by online and print media platforms including the CFI magazine. These activities contributed to raising the Company's corporate profile, visibility and reach to the investment community and its customers.

D. MADAGASCAR PRIMARY GRAPHITE PROJECTS

The Company owns and operates the Vatomina and Sahamamy flake graphite projects in Madagascar. Post admission in December 2020, having raised the capital to add capacities over the 'proof of concept' 3,000 tpa plant the company was then operating, it embarked on the construction of a 9,000 tpa facility at Vatomina, which was completed and commissioned during the year. The Company also started the construction of the next 18,000 tpa facility at the Sahamamy project during the year with the target to reach a significant 30,000 tpa flake graphite capacity. Thus, we remained in the operations and development mode during the year in line with our stated strategy.

The Vatomina 9,000 tpa plant was commissioned in September 2022 and followed debottlenecking and production ramp up. Sellable products were produced from Q3 FY 2023 though the debottlenecking and streamlining of operations remained ongoing onto the onset of rains from Q4 FY 2022 onwards causing difficulties in achieving production volumes.

The year came with its challenges and headwinds, in the first half the impacts related to the severe second wave of the pandemic, which eased progressively in the second half of the year, followed by unusually challenging weather conditions. We are happy to report that in spite of the headwinds and challenges, the Company has made steady progress towards its goals though slower than the company wanted. As a result, although the new facilities at Vatomina could add only 1020 MT of production during the year as against installed capacity of 4500 tons for the half year since its commissioning, the performance of operating margins is detailed from the table below

Key Financial operating results from Madagascar Primary Operations for 1 April 2021 to 31 March 2022

Particulars	Units	FY 2021-22	FY 2020-21	YoY Change
Total Production	**MT**	**2,996**	**1,718**	**+74%**
Mining & Processing costs	£	935,604	304,975	+207%
Human Resources costs	£	378,671	228,731	+66%
Logistics utilities & plant admin costs	£	308,278	52,784	+484%
(Increase) / Decrease in inventory of inputs	£	(485,357)	(98,407)	
Total Costs of Production (Excl. Depreciation)	**£**	**1,137,196**	**488,083**	**NA**
Cost per MT of Production	**£**	**380**	**284**	**+34%**
Total Sales Volume	MT	2,662	1,857	+43%
Total Revenues	**£**	**1,645,308**	**1,123,426**	**+46%**
Average Selling price per MT of Production	**US$ / £ per MT**	**841 / 618**	**801 / 605**	**+2%**
Gross Profit before Depreciation	**£**	**508,112**	**635,343**	**-20%**
Gross Margin on Sales	**%**	**31%**	**57%**	**-26%**

The key factors impacting the operating results can be summarised below:

- Total Production during the year increased by 74% and Total Sales Volume increased by 43% over the previous year;
- Total Revenues increased by 46% over the previous year;

- Realised Average Selling price per MT of graphite sold increased marginally by 2% in GBP terms and 4% in dollar terms;
- The operating margins for the year dropped from 57% in the previous year to 31% during the year which can be attributed to the following:
  - As is evident from the table above, substantial increase in costs can be seen in the heads mining & processing and logistics costs;
  - The larger part of the Company's activities during the year was the development of capacities and related infrastructure at both its projects;
  - It is a pertinent to point out that the Company is executing the development process internally and using its own earth moving machinery and equipment. This equipment is also used in the mining activities, and the power is self-generated and used in operations. There are no EPV contractors engaged;
  - Following conservatism principle, the Company has capitalized all expenses where a one-to-one direct relationship with the capital asset newly created could be established. For example, it was not possible to identify all logistics costs related to development one-to-one;
  - The adverse weather conditions also resulted in additional expenses on upkeep of existing infrastructure; and
  - Furthermore, the Company put in place required management resources at its project in accordance with the current and under development capacity, as the total output during the year remained low, the new capacity underwent ramp up, and adverse weather conditions caused headwinds.

  With these factors combined, the operating margins for the year fell, and the Company believes that as production increases, the previously achieved operating margins will be achievable.

Detailed account of the developments across the Sahamamy and Vatomina projects are given below:

1. Sahamamy operations and development:

The 3000 tpa maiden 'proof of concept plant' at Sahamamy Project continued to produce sellable graphite during the year marking its third year in operation. The period has been that of adverse circumstances, coupled with the challenges of its remote location, being reachable by a boat ride only at the start of the year. The plant continued to establish the concept for larger scale build up, including technology and cost structure affirmation, the key strengths developed by the Company.

Time was now ripe for the Company to embark on the next stage of development of the Sahamamy project, which included the following activities and more:

- development of 18,000 tpa mine and plant module;
- building road connectivity to the project and connecting it to RN2 and the Vatomina project, which required building c. 14 km of new road with 12 hume pipe culverts up to 5 metres wide and two hume pipe bridges across perennial water streams, and widening and strengthening of 12 km existing road, rebuilding 7 culverts with hume pipes and 1 hume pipe bridge of c.20 metres width;
- building three new kilometres of Sahamamy Sahasoa road, Sahasoa being the greenfield new mine area planned for use for the new plant ore requirements;
- development of various utilities including but not limited to water source, tailing dam, residential and office spaces, engineering and maintenance facilities etc.;
- redevelopment of the old hydropower facilities to a 100 kilowatt new hydropower plant;
- detailed studies for the identified second 400 kilowatt hydropower plant; and
- continuation of the second stage of exploration to enhance the resource base.

In April 2021, the company raised additional equity capital for progressing its developments and from the second half of the financial year commenced activities for the above developments. The total investments for development of the Sahamamy project until 31 March 2022 was as under:

Sahamamy Project total cumulative investment up to 31 March 2022				
Head of CAPEX	**Investment (£) Up to 31.03.2020**	**Investment (£) During 01.04.2020 to 31.03.2021**	**Investment (£) During 01.04.2021 to 31.03.2022***	**Total Investment (£) As at 31.03.2022**
Drilling & Earthmoving Equipment	240,357	39,024	1,426,628	1,706,009
Processing Plant	520,634	23,157	483,756	1,027,547
Infra & Admin Assets	23,146	6,776	-	29,922
Exploration Evaluation & Engineering	163,702	103,639	801,567	1,068,908
Total Investment	**947,839**	**172,596**	**2,711,951**	**3,832,386**
Advances for Capex (See Note no 15 page 83)	-	-	2,592,163	2,592,163
Total	**947,839**	**172,596**	**5,304,114**	**6,424,549**

*This does not include impact of Forex translation

The development of Sahamamy 18,000 tpa plant is nearing completion, commissioning of the 100KW hydro power plant is ongoing, all road infrastructure and bridge construction works are substantially completed, and the Company is on the verge of starting commissioning and production ramp up for the new facilities. It is important to note that owing to the strategic decision of splitting the preconcentrate part of the processing plant and moving the preconcentrate to the pit head to eliminate transport of mined ore, the Company implemented this decision for its Sahamamy project too.

2. Vatomina Operations & Development

At the green field Vatomina project, which has defined JORC (2012) Resources of 18.4Mt @ 4.6% TGC, development of the first mining and processing facility, upgraded to 9,000tpa from previously planned 6,000tpa, was initiated from the last quarter of FY 2022. The development was continued during the year and completed in September 2021 and the build up included, amongst others:

- site development, construction and installation of the processing plant, utilities and internal infrastructure;
- opening of mine and its development to mine c.200,000 tons of ore per annum for feed to the plant;
- hiring and training of human resources;
- Development of office, residential and community centre.

The Vatomina mine opened on 21 April 2021, which marked the start of excavation of overburden and first ore mined for the upcoming 9,000 tpa module at Vatomina. The construction, installation and commissioning with dry and wet runs of the processing plant was completed by 6 September 2021, and ore feed commenced with a feed rate of 50% of the rated capacity. Development activities for infrastructure, accommodation and allied facilities were continued to completion until the close of the year. The total CAPEX in the Vatomina project to date, including exploration, evaluation, design, engineering construction are as tabulated below:

Vatomina Project total cumulative investment up to 31 March 2022				
Head of CAPEX	**Investment (£) Up to 31.03.2020**	**Investment (£) During 01.04.2020 to 31.03.2021**	**Investment (£) During 01.04.2021 to 31.03.2022***	**Total Investment (£) As at 31.03.2022**
Drilling & Earthmoving Equipment	328,178	236,949	443,972	1,009,099
Processing Plant	168,093	475,822	1,890,974	2,534,889
Infra & Admin Assets	69,323	30,995	201,175	301,493
Exploration Evaluation & Engineering**	738,830	331,530	(332,964)	737,396
Total Investment	**1,304,424**	**1,075,296**	**2,203,157**	**4,582,877**

*This does not include impact of Forex translation
** This in nature of capital WIP and hence includes expenditures reclassified after completion of respective capital assets.

The Vatomina plant being a 3X scale up from the Company's Sahamamy 3,000 tpa plant, the Company faced initial bottlenecks, because shipping additional requirements increased the time required to complete the debottlenecking. The Company consistently addressed these issues. Some of the bottlenecks faced and resolved were:

- Plant processing input water requirements exceeded the arrangements made, thus requiring various additional arrangements to be made for meeting the water requirements of the plant;
- Initial hiccups in the processing plant equipment which were resolved as they emerged;
- Optimisation of various technical parameters for each processing stage including sand separation, milling and flotation equipment, drying and finishing equipment such as varying RPMs, flow rates, loads etc.

While the debottlenecking process continued, the onset of a rainy season resulted in challenging weather conditions, including multiple cyclones and long duration continuity of rains. The movement of ore from the mining areas to the processing plant areas, receipt of input materials to the operations, and evacuation of finished products posed continued difficulties, adversely impacting the output from the new operations. During the period from start of operations in Vatomina until 31 March 2022 the total saleable production was 1020 tons. Of these, 837 tons were sold and shipped to customers.
During the current financial year, the Company took various decisions to mitigate its projects from such adverse climatic conditions, the most important being splitting its process flow sheets into preconcentrate and final concentrate units. The preconcentrate unit eliminates up to 90% of the ore feed into the plant in tailings, and it was decided to be established at the pit head to avoid transport of ore by vehicles from the mine area to the processing plant. The slurry output from the pre-concentrate plant was decided to be pumped to the final concentrate plant for further processing and finishing. The Vatomina preconcentrate plant has now been shifted at the current operating mine pit head and successfully commissioned, reaching plant desired ore feed parameters. As the head grade at Vatomina current mining is lower than 3%, the Company is working on opening further adjoining mine areas to increase head grade and looking at other options to secure output from Vatomina to planned levels.

By 2024, the Vatomina project is planned to be developed to a total capacity of 63,000 tpa as per the Company's stated development plan for the project. The Company aims to undertake further development of capacities at Vatomina once the operations across the two projects under ongoing developments are streamlined.

3. Other developments across the projects in Madagascar

a. Exploration

The second phase of exploration activities which were initiated in February 2021 continued during the year across the two projects. The previously owned diamond core drill rig remained deployed in Vatomina during the year. With progress of core and augur drilling during the year, the total planned core drilling across the two projects was increased from earlier estimated 5,000 metres to c.10,000 metres in light of new mineralised areas identified. Considering the increased drilling campaign, the Company preferred to acquire a second drilling machine for Sahamamy, which was commissioned earlier this year.

Drilling activities remained suspended substantially during the rainy season and were recommenced from August 2022. To date, c. 3,000 metres of core drilling have been completed in the second phase and further progress is being made in the current dry season.

b. Hydropower and green energy

The redevelopment of the old hydropower plant ('HPP') at Sahamamy to an upgraded new 100Kw facility was initiated during the year. The task came with its challenges, with the two small barrages and the c. 3 km canal leading to the reservoir, which needed to be rebuilt, being only accessible on foot. The Company relentlessly continued to rebuild the HPP in spite of all the challenges compounded by the weather conditions, and the reconstruction has been completed. A power evacuation line of c.800 meters from the turbine house to the processing plant was in the process of installation as of writing of this report. Once operational, the HPP will save an estimated >100,000 liters of diesel per annum, currently used in equivalent power generation.

The Company has further initiated detailed studies and related activities for the second 400kw hydropower generation prospect earlier identified and intends to fast track its development.

4. Rehabilitation and Restoration

The project areas in Madagascar are located within a moderately undulating area and the Company's mine planning takes this into consideration the topographic advantage. The nature of the deposit and pit design is such that rehabilitation and restoration of mining areas is an ongoing and concurrent activity undertaken by the Company with the:

- Mining overburden being used to reclaim land in swamps and wasteland areas located near to the mining pits, which would otherwise remain as unproductive land areas;
- Ore feedstock which is constituted by c.50% in the form of sand being extracted as a construction quality sand by-product of ore processing, which is currently being re-purposed and used by the Company in its ongoing construction and infrastructure building activities at project sites, thereby achieving the waste-to-wealth objectives of the Company; and
- Ongoing re-vegetation programme working in conjunction with the local communities to harvest new tree plantation areas across the local communes to ensure any green vegetation areas which are impacted by the Company's operations are replaced by new trees and vegetation.

The Company is conscious of the environmental impact of its mining activities and has designed its processes to ensure the Company conducts its activities in a way that it shall comply with the obligations under its environmental license and the mining code of Madagascar. Additionally, the Company also fulfils its corporate social responsibility toward the communities in its areas of operations through various activities as detailed under the Community Engagement section below and in its Sustainability Report.

5. Snapshot of Consolidated Income Statement

Summary of the Group's consolidated income statement for the year ended 31 March 2022 is as follows:

	2022	2021	YOY Change	Commentary
	GBP	GBP	%	
Revenues	1,645,308	1,123,426	46%	Revenues grew by 46% due to increased production and sales
Cost of Sales	(1,137,196)	(488,083)	133%	Cost of Sales grew greater than increased sales mainly due to affected operations due to cyclones
Gross Profit (Excl. Dep)	508,112	635,343	-20%	Resulted in Gross Profit decrease of 20%
Less Administrative Expenses	*(1,774,581)*	*(1,531,581)*	16%	Admin expenses increased due to increased corporate expenses, team strength and fund raise costs
EBITDA	(1,266,469)	(896,238)	41%	Resulted in EBITDA loss increase of 41%
Less Depreciation	(565,079)	(205,723)	175%	Increased due to additional Capex
EBIT	(1,831,548)	(1,101,961)	66%	Negative EBIT increased by 66%
Less Finance Cost	*(140,209)*	*(147,151)*	(5%)	Finance Costs decreased due to conversion of CLNs to equity
EBT	(1,971,757)	(1,249,112)	58%	Resulted in increase in negative EBT by 58%
Less Taxes	*48,271*	*(27,827)*		Impact of Deferred tax provisions in Madagascar Subsidiaries
EAT	(1,923,486)	(1,276,939)	51%	EAT loss increased by 51%
Loss per share (Basic)	2.66 pence	2.61 pence	2%	Basic Loss per share increased by 2%
Loss per share (Diluted)	2.66 pence	2.61 pence	2%	Diluted Loss per share increased by 2%

E. TIRUPATI SPECIALITY GRAPHITE PVT TD & DOWNSTREAM PROCESSING

Tirupati Speciality Graphite Pvt Ltd ("TSG") is a private Indian company promoted by the founders of the Company. TSG is engaged in downstream processing of flake graphite, development of graphene and advanced materials and mineral processing technology development.

On 10 October 2018, the Company entered into a conditional agreement for the acquisition of the then issued share capital of TSG in a share swap deal as a forward integration prospect with an obligation to provide development capital for TSG's plans. The share swap ratio under the agreement was determined by a Securities and Exchange Board of India approved Category 1 merchant baker. The completion of the acquisition of TSG by the Company has remained subject to regulatory approvals and given the shareholdings of the founders in the Company this could only be progressed once the Company obtained a whitewash under the Takeover Code to enable the issue of the consideration shares without triggering a requirement for the founders to make a mandatory bid for the Company. The whitewash was approved by independent shareholders of the Company and confirmed by the Takeover Panel in late October 2021. Post the whitewash, in terms of the relevant Indian regulation:

- the valuation report of 2018 is time expired and for determining the swap ratio a current valuation in accordance with FEMA requirements is necessary (which must be not more than 90 days old at the time of completion of the acquisition);
- Based on an updated valuation, the acquisition can only be considered for approval by the Indian regulators once certain reported matters in relation to the Company as an ODI are ratified.

In response, the Company is considering a number of alternative options to meet the objective of ensuring that the Company is able to continue with its plans to develop a downstream and advanced materials business. These options include:

- continued pursuit of regulatory approval for the acquisition of TSG as its preferred option and in doing so, considering any revised valuation for TSG and changes to the terms of the acquisition to reflect this;
- exploring the possible participation in alternative investment vehicles for investment in TSG as may be permissible with participation of the Company or its shareholders;
- exploring possible commercial arrangements with TSG.

The Company, TSG and their respective advisors, remain engaged in working through various possibilities. During the year the Company continued to engage with TSG and reported the developments made by it on the projects it is pursuing. We have been advised by TSG that the progress of its business continues in accordance with its plans although this has been delayed as a result of the need to obtain the capital required for these developments. TSG has also advised us that they have refrained from raising equity capital from other sources and the equity of TSG remains as it was at the time of the execution of the 2018 acquisition agreement. However, TSG may need to look at alternatives for its capital requirements.

Downstream processing of graphite that the Company produces in Madagascar is an important value addition and is a necessity for the advanced applications of the product including in anode materials, flame retardants and thermal management. The Company considers that the technologies and expertise developed by TSG for these processes are unique and environment friendly as compared to those used by others. In addition to the discussions on acquisition with TSG, the Company is currently assessing the possibility of setting up downstream and advanced material manufacturing facilities in the UK in conjunction with TSG.

F. LONGER TERM TARGETS AND INORGANIC GROWTH OPPORTUNITIES

Flake graphite is a material of importance in the energy transition economy. It is designated as a critical material by the UK, EU and USA. Demand growth is estimated to quadruple the global consumption over the current decade. The Company's current plans and resources are aimed to reach a capacity of 84,000tpa flake graphite production capacity build by end of 2024, which is estimated to be more or less 6% of the current global demand. With the Company's expertise in setting up and operating flake graphite mining and processing projects, the Company aims to make a meaningful contribution to the global demand with a target to reach c.8% capacity of global demand as it grows. In this light, it needs to enhance its resource base and diversity and has thus been on the watch for possible acquisition of projects and is happy to report the following progress.

a. Proposed acquisition of Suni Resources

On 17 August 2021, the Company announced that it had entered into a binding acquisition agreement subject to regulatory approvals for the acquisition of the entire issued share capital of Suni Resources SA ("Suni Resources") (the "Acquisition"). Suni Resources holds the Mozambique portfolio of graphite assets of ASX listed Battery Minerals Limited ("Battery Minerals"), which includes the construction initiated Montepuez Graphite Project ('Montepuez" or the "Montepuez Project") and the advanced feasibility study stage Balama Central Graphite Project ("Balama Central" or the "Balama Central Project"). The Acquisition includes all associated assets, infrastructure, permits, licences, and intellectual property on both projects for a total consideration of AU$12.5 million (circa £6.6 million) in a cash and shares deal. The Acquisition is subject, amongst other things, to the mandatory shareholder approval of Battery Minerals and approval of the transaction by the Ministry of Mineral Resources and Energy in Mozambique.

After the execution of the agreement, the mandatory shareholder approval of Battery Minerals was completed, and the Mining Licence for the Balama Central project was granted to Suni. The application for approval of the transaction by the Ministry of Mineral Resources and Energy in Mozambique has been applied for and is being pursued. The Company has recently raised funds through a Convertible Loan Note issue to meet the cash component of the acquisition agreement and remains engaged with its brokers Optiva Securities Limited to raise further funds for the mandatory Bank Guarantee that may be required for progressing the approval by the Ministry of Mineral Resources and Energy in Mozambique.

The proposed Acquisition is in line with the Company's stated strategy of diversifying its resource base and mitigating country risk. The two complementary graphite deposits, spread over a combined c.18,500 hectares permit area would add mineral resources of over 152 million tonnes at 8.5% TGC upon successful completion of the acquisition, which would significantly increase the Company's JORC Code (2012) mineral resource base. Additionally, it would complement the Company’s existing mix of predominantly jumbo and large flake graphite products from its Madagascan projects.

Upon completion of the Acquisition, the Company intends to further optimise the project development plans, leveraging application of its extensive and proven expertise in developing graphite projects to minimise investment and optimise operating costs while looking to retain the plans to develop an up 100,000 tpa operations in modules in the Montepuez project and 50,000 tpa operations in modules in the Balama Central project. The Company may consider further enhancing the long term development plans owing to visible and growing market opportunities in the green economy and in light of the Company’s long term capacity build up targets.

There is, however, no guarantee that the acquisition will complete.

b. Proposed acquisition of additional permits in Madagascar

On 2 September 2022, Tirupati Madagascar Ventures SARL (TMV) entered into agreement to acquire three additional mining permits in Madagascar, covering a total area of 31.25km^2 and located in the vicinity of the Company’s existing projects in the country. The consideration agreed for the acquisition is a total of MGA 800 million (c.£167,000) to be paid in cash upon milestones in the process of completing the transfer of the permits to the Company. The transfer requires approval by the Ministry of Mineral Resources and application thereof is in the process of being made to the Bureau du Cadastre Minier de Madagascar (BCMM).

Due to the proximity to its existing operations, the Company believes it can progress activities in the acquired projects in a timely and cost-effective manner alongside its other Madagascan projects. While no JORC 2012 compliant mineral resource statement is available for the permits, historical geological data and initial ground assessments made by the company suggest that the new permits could have the potential to add two or three 18,000 tonnes per annum (tpa) modular facilities for flake graphite production. This could therefore significantly add to the company’s currently planned 84,000 tpa capacity across the Vatomina and Sahamamy projects.

Under the agreement, TMV retains liberty for conducting studies in the areas during pendency of the process of transfer of the permits. It is important to note that the process of transfer is the same as was executed by TMV successfully for the acquisition of the Vatomina project, and the Company's in-country team is well versed for progressing the transfer process. There is however no guarantee of if and when the transfer shall complete.

The proposed acquisition of these permits aligns with the Company's strategy to continue to acquire resources so as to facilitate growth of its primary flake graphite operations to c.8% of global demand by 2030, estimated to be in the range of 400,000tpa. The Company considers acquiring additional resources in the vicinity of its current projects in Madagascar as a vital base to facilitate its strategy.

This report was approved by the Board of Directors on 30 September 2022 and signed on its behalf by

Mr Shishir Poddar
Executive Chairman and Managing Director

Strategic Report

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 2022), and forms part of our UK Annual Report and Accounts for the year ended 31 March 2022 (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.

Events since the year end

The Company continues to progress development of its business, adequate financial resource mobilisation and other corporate activities. The significant events since the end of the year include:

- capital raised in the form of Convertible Loan Notes 2022 of £1,862,500 gross proceeds in August / September 2022;
- signed a binding agreement, subject to approval of transfer, for three additional mining permits in Madagascar covering a total area of 31.25km^2 and located in the vicinity of the Company's existing projects in the country;
- Commissioned and start re-engineered preconcentrate facilities at Vatomina and adoption of the concept for the under construction 18,000 tpa facilities in Sahamamy project in Madagascar;

Results for the year ended 31 March 2022

A summary of key financial results is set out in the table below. The Group and Company's primary financial statements are found on pages 53 onwards.

In summary:

- The net interest cost for the Group for the period was £ 140,209
- Administrative expenses from continuing operations excluding depreciation £ 2,182,442
- Group loss after tax from continuing operations was £ 2,331,347
- Basic and diluted loss per share from continuing operations was 3.14 pence & 2.91 pence respectively
- As at 31 March 2022, the Group had cash and cash equivalents of £ 1,534,023

The shares issued during the year are detailed in note 20.

Key performance indicators

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

	2021-22 **£**	**2020-21** **£**
Revenue	**1,645,308**	1,123,426
Cash and cash equivalents	**1,534,023**	1,644,189
Total Net assets	**15,747,196**	8,181,563
Loss per share	**2.66 p**	2.61 p

DIRECTORS' STATEMENT UNDER SECTION 172 (1) OF THE COMPANIES ACT 2006

Section 172 (1) of the Companies Act obliges the Directors to promote the success of the Company for the benefit of the Company's members as a whole.

This section specifies that the Directors must act in good faith when promoting the success of the Company and in doing so, have regard (amongst other things) to:

a) the likely consequences of any decision in the long term;
b) the interests of the Company's employees;
c) the need to foster the Company's business relationship with suppliers, customers and others;
d) the impact of the Company's operations on the community and environment;
e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
f) the need to act fairly as between members of the Company.

The Board of Directors is collectively responsible for formulating the Company's strategy, which is to become a multi-asset, multi-jurisdictional, fully integrated producer and developer of high-grade natural flake graphite and graphene and advanced materials company with a long term target to establish flake graphite mining and processing capacities of c.8% of the global demand.

Some of the key decisions taken by the Directors during the year under review and the significant outcomes achieved by the Company aimed at delivering on its strategies included:

- **Fast tracking the development of its Madagascar Primary flake graphite mining & processing projects**

  At the beginning of the year the company had a modest 'proof of concept' 3,000 tpa capacity in operation in Madagascar and the company initiated the development of the first 9,000 tpa capacity in Vatomina, earlier upscaled from 6,000tpa plan. The Company further took a strategic decision to commence development of its optimised 18,000 tpa capacity module at its Sahamamy Project targeting to reach a globally significant 30,000tpa capacity across its two projects in Madagascar.

  Tirupati's modular development approach, coupled with its internal expertise, provided the Company with flexibility and ability to increase the capacity across the two projects to leverage its demonstrated ability to operate its primary flake graphite projects at a >50% operating margin and enabling the Company to capitalise on rising demand and prices for its Madagascan primary flake graphite and thus targeting to reach a state of being an earning company at an early stage in its corporate journey.

  The strategic decision to increase the installed capacity of the company's projects such that the company can reach a positive bottom-line fulfils the Directors obligations under Section 172 (1) of the Companies Act to promote the success of the Company for the benefit of the Company's members.

- **Stage II Exploration and Drilling Programmes at Vatomina and Sahamamy Projects**

  In February 2021, the Company announced the commencement of its Stage II exploration and drilling programme ("Stage II Programme") across its primary flake graphite projects in Madagascar. It appointed SRK Mining Services (India) Private Limited ("SRK"), a consulting practice of international mining consultants SRK Consulting, to oversee the Stage II Programme and update and upgrade its current Mineral Resource Statement ("MRS") for the Vatomina and Sahamamy Projects in Madagascar under the current Competent Person's Report, which was contained in the Company's listing prospectus.

  While executing its Stage II exploration program, the company discovered additional mineralised zones across both its projects and preferred to extend its core drilling program from the earlier planned c.5,000 metres to c.10,000 metres in coordination with SRK. The company further acquired its second core drilling rig to complement its owned first drilling rig continuing with the concept of creating in-house capabilities of all core and ongoing activities. During the year, the company executed c.2500 metres of diamond core drilling, which if outsourced would have cost the company an estimated >£2.5 million whereas the company performed the drilling at a fraction of the cost. Moreover, the continued exploration activities are expected to materially enhance the company's Mineral Resources, thus enhancing the currently estimated life of mine or capacity creation plan or both.

  Investing in the Stage II Programme at materially lower operating cost to update and upgrade its MRS fulfils the Directors obligations under Section 172 (1) of the Companies Act to promote the success of the Company for the benefit of the Company's members.

- **Development of human capital and community relationships**

  The company believes that one of the most vital resources to achieve successful implementation of its business plans, is to develop a set of competent, motivated, dedicated and well trained set of leaders and workforce. The company has extensively worked on enhancing and developing its human capital on a continued basis. The company's leadership team grew by c.5 times of its pre listing levels. Its workforce and in country team in Madagascar has expanded from the stage of operating a small 3,000tpa facility to a team executing the construction of additional nine times the capacity, operating four times the capacity and simultaneously executing projects like development of a hydro power plant, exploration and discovery of resources, building of infrastructure and performing all that goes into the development of business as the company is engaged in.

  Developing a comprehensive set of human capital executing all development and operational activities in house and at globally lowest quartile costs fulfils the Directors obligations under Section 172 (1) of the Companies Act to promote the success of the Company for the benefit of the Company's members.

- **Continued perseverance for inorganic growth**

  While the company continues to expand its current projects it is constantly on the watch for new alternatives to acquire projects and build relationships. As a result it has entered into value accretive agreements for acquisition of additional primary flake graphite projects to build a portfolio of assets that potentially forms the base for its longer term capacity build target to 8% of the global demand. The activity of acquisitions come with multiple challenges in the mining sector including that regulatory framework in target locations, approval, obligations, learning new cultures and balancing acts in the interest of the company and thus its shareholders. The company continues to work on inorganic growth to meet its long term targets duly balancing the interests of the company with other stakeholders.

  The company also has at hand the task of progressing the downstream and advanced materials business through acquisition of or appropriate arrangements with TSG. The primary flake graphite expertise the company has acquired and developed since its inception through acquisition of the flagship Vatomina project emanates from its founders and has been the key strength for the company in its operations and development efforts across its current and prospective primary projects arming the company with its competitive and strategic advantages. The company remains engaged targeting successful integration on the downstream and advanced materials space which would complement the company's primary flake graphite business.

  The continued efforts and perseverance for inorganic growth while remaining engaged in developing the company's existing projects fulfils the Directors obligations under Section 172 (1) of the Companies Act to promote the success of the Company for the benefit of the Company's members.

Outlook towards Shareholders

The Board places equal importance on all shareholders and strives for transparent and effective external communications, within the regulatory confines of public UK registered and listed companies. In its listing prospectus the Company provided extensive information about its business development and since being listed, the Company has proactively provided its shareholders with information on the Company's developments and progress. Additionally, periodical communications with project updates and reporting material developments and operational achievements by direct email communications as well as via the Company's website continue to be provided to shareholders and markets in general. To assist with external communications, the Company has engaged with a reputable UK Investor Relations firm as well as a group who are specialists in managing corporate social media accounts to engage with the public on behalf of the Company.

The Board further believes that collectively and every member on the Board individually is responsible to every shareholder of the Company and does not accord any of its members representing any group or section of its shareholders. It strives to take every decision in protecting the interests of the Company and its shareholders while balancing the interests of its employees and the community it works in.

Outlook towards its Employees

The Board believes that the Company's human capital is the primary asset of the Company and is critical to the success of the Company. It is recognised that in the early stages of the Company which have been challenging, its executive management team has demonstrated its dedication to the Company's success and delivered results in creating the foundations for the success of the Company such that are unparalleled in the area of business of the Company. The Board believes that its human capital is the source of it having been an outperformer and shall continue to be so and deserve to be rewarded commensurate with the Company's success.

Developing relationships with the community and other stakeholders

The Company has continuously engaged with the communities around it with the policy of improving the quality of life of the communities it works in. In implementation, a dedicated program for community development "Shakuntalam" has been designed and the activities conducted there under are described in the Sustainability Report.

The Company continuously engaged with other stakeholders including but not limited to prospective customers, suppliers, and service providers in implementation of its business plan developing long term relationships on a win – win basis. The Company will continue to engage for the purpose.

Conclusion

The Directors believe that to the best of their wisdom and abilities, they have acted in the way they consider prudent to promote the success of the Company for the benefit of its members as a whole, in the true spirit of the provisions of Section 172 (1) of the Companies Act 2006.

Principal risks and uncertainties

The Company management is conscious of the risk factors that can affect the Company's performance and are aware that they must always be alert and be proactive in dealing with the same. They carry 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 22 to the financial statements:

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

The Company understands 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:

Identify	Risk mapping and listing is conducted on a periodic basis to identify emerging issues.
Assess	The likelihood of risk occurrence is determined by evaluating their potential impact.
Mitigate	Appropriate measures and actions are put in place to ensure control.
Monitor	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
Financial Strategy	The Company's current stage of project development and implementation has been funded and under completion which is expected to result in operating profits. Any delay in achieving earnings may require funding arrangements and delay further project development and implementation. Investor support may be negatively impacted if there are delays in achieving its strategy's intended goals.	The Company is near to completion of 30,000 tpa installed capacity and has successfully mitigated operational bottlenecks for its existing 12,000tpa capacity. The company is fully funded for attaining the current stage planned capacity to 30,000tpa of primary capacity in Madagascar and with the debottlenecking of the existing operations is well placed to continue its operations on an ongoing basis. Any exigencies can be mitigated through cost controls and investment deferments.
Competition risk	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. These competitive market players may bring new age technology leading to their advantage.	Innovation and R&D continues to be a core pillar of the Company's investments and focus which continuously enhances our process to ensure higher quality products and a consistent competitive edge is maintained by the Company over its competitors. The management has a long and deep heritage in the field and are well connected with the end users (consumers) and the intermediary suppliers into the primary and specialised graphite industry.
Company's Management Performance and Efficiency	During the phases where the Company is expected by the Board to experience rapid growth, it is essential to effectively manage such growth. While the Board is fully equipped to implement the Company's strategy, mismanagement of project operations at any level could lead the business to suffer, which may impact the Company's performance and profitability. The responsibility to manage multiple projects across different jurisdictions at the same pace while ensuring quality and sustainability sits with the Board and the Company's management team. Continuous growth in sales and profits largely depends on the Company's management team's ability to expand its operations and manage the procedures, financial controls, and information systems effectively.	Ongoing development of the management team as we progress is a part of the Company's activities and is thus dynamic. In fact, we have established that the Company's management team has the ability to deliver on all fronts and see this as a strength for the Company. The leadership team continues to be engaged on a constant basis on all affairs of the business of the company. Communications are kept to the highest level of speed and delivery.

Attraction and retention of key employees	It is essential for the Group to maintain the continued service and performance received from the key officers and employees. Even though arrangements with the respective employees are in place to secure their services, retention of these services cannot be guaranteed. The loss of the services of any of the key officers or employees could delay the Group's operations. Further, the ability to attract and hire new sufficiently skilled employees cannot be guaranteed.	The Company is actively involved in human resource development and management. The company has created a pool of its leadership team with alternatives and is constantly engaged in creation of systems to mitigate individual influence. Continued talent hunt and alternative key human resource development and training are ongoing activities. Additionally the company is supported by an additional pool of leaders with TSG remaining as a standby in case of exigencies.
Brand, reputation, and trust	The Company's brand will suffer if it loses trust and transparency in its business. If it cannot be firm in the face of ethical, legal, moral or operational challenges, its reputation may be damaged.	The Group's processes and policies set out how it can make the right decisions for its customers, colleagues, suppliers, communities, and investors. It has developed communication and engagement programmes to listen to its internal and external stakeholders and reflect their needs in its plans. The Company maximises the value and impact of its brand with the advice of specialist external agencies and in-house expertise. As its business grows and develops, it will remain strongly focused on protecting the strength of its Group's reputation through leadership and cultivating open relationships with all stakeholders.
Data security and privacy	With increasing risks of cyber-attacks threatening data security, the Company must ensure that it understands the types of data that it holds and secure it adequately to manage the risk of data breaches.	The Company has active monitoring processes to identify and resolve IT security breaches, and to investigate and mitigate any possible threats. A platform with a high-end security system that was under development has been implemented across some activities and is in the process for the rest.

Performance	If the Company's strategy is not effectively communicated or implemented, its business may underperform against its planned objectives.	The Company's Board, executive management and operational units meet regularly to review performance risks. An ongoing communication process informs its colleagues about the long-term strategy and ensures that they understand their part in it. The Company is also implementing a customised ERP system to further instruct, monitor and analyse performances. 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.
Operational Risks	The current operations of the Company generally include exploration mining, processing, and production, any of which may be impacted by factors which are outside of the Company's control.	The Company has adopted a modular development strategy to mitigate the risks on various operations and financial fronts. With the passage of time and continued development the company and its management team have better understood the operational risks and mitigated them as these surfaced. Various risks like technology, operational, mining, financial – cash flow and revenue etc are appropriately addressed with stringent review on the investment made in early stages.
Volatility of Commodity and Equity Prices	The Prices and demand for the Group's products may remain volatile/ uncertain and could be influenced by global economic conditions. Volatility in commodity prices and demand may adversely affect our earnings, cash flow and reserves.	The management is mitigating this risk by pursuing low-cost of production, allowing profitable supply throughout the commodity price cycle, and balancing the price volatility/uncertainty by annual contracts with key buyers.
Geopolitical, Regulatory and Sovereign Risk	The primary flake graphite Projects are located in Madagascar. The proposed acquisition of downstream and technology Projects are in India and additional primary projects in Mozambique and are therefore subject to the risks associated with operating in a foreign jurisdiction.	Madagascar has a mining code providing tenure of 40 years and is renewable – with no history of any disruptions to operations by any previous governments and is well connected to the international community. As a mitigation, the Company is working on further adding primary activity at one more location currently working on a project in Mozambique. India is the fastest growing major economy and is investment seeking and friendly. The regulatory framework does contain provisions for protecting the national interests of the respective jurisdictions. The Company monitors political development and will seek to mitigate emerging risks wherever possible. The Group and its business divisions monitor regulatory developments on

		an ongoing basis.
Technology	If the Company does not invest enough or efficiently or invest in the wrong areas, it may not be able to deliver its customer proposition which could impact its competitiveness. As it develops new technologies, the Company must maintain the controls over existing platforms, or it may impact systems availability and security.	There is a clear programme of investment to maintain the integrity and efficiency of its technology innovation infrastructure and its security. The Company is heavily inclined towards technology and innovation and work rigorously on continued improvements.
Environmental and Health and Safety Risk	The Graphite Projects, including ore mining and production plants, are expected to have an impact on the environment, particularly in cases of advanced exploration or mine development proceeds, production sites and plants. Its activities are or will be subject to in-country national and local laws and regulations regarding environmental hazards.	The Company has obtained Environment clearance for the first phase for both projects in terms of the regulations in place. Further extensions will be applied for and obtained prior to start of construction of the next phases. The Company has also developed and adopted environment friendly technologies to minimise impact and will continue to strive to take steps for improving the environment and mitigating damage if any.

Corporate and social responsibility

The Group believes in extensive stakeholder engagement and remains committed to our corporate and social responsibility projects. Details of activities performed by the group are contained in the Sustainability Report.

Greenhouse Gas Emissions

Current UK based annual energy usage and associated annual GHG emissions are reported pursuant to the Companies and Limited Liability Partnerships Regulations 2018 that came into force 1 April 2019. Energy use and associated GHG emissions are reported as defined by the operational control approach. The minimum mandatory requirements set out in the 2018 Regulations requires reporting of UK based energy use and emissions. The Group has a small carbon footprint in the UK as most of the directors work from home or in shared office space. Additional UK office space is rented on short term basis as required. As a result the energy usage in UK is below 40,000KWH and therefore Greenhouse gas emissions, energy consumption and energy efficiency disclosures have not been provided in the Annual Report.

However, historically the Company has voluntarily provided commentary on its CSR and environmental initiatives and in the previous year's annual report, it released its first Sustainability Report which gave an insight into some of the activities and initiatives undertaken by the Company.

For this year, the Company will be publishing its second Sustainability Report as a standalone report which shall be formulated against the Global Reporting Initiative (GRI) Index, one of leading industry benchmarks which has been adopted by the Company.

The Sustainability Report will provide deeper insights on the various mechanisms and steps taken by the Company to improve the lives of people in some of the most deprived regions and its workplaces, reduce environmental impacts and to have environment friendly operations across the various legs of its business. The Sustainability Report will also highlight the goals and targets set by the Company for the longer-term and the green technologies developed by the Company. Shortly following the publication of our Annual Report each year, we intend to publish the Company's annual Sustainability Report.

Diversity and Inclusion

The company was co-promoted by promoters from India and The United Kingdom, combining the expertise of its Indian origin founders in the areas of its business and the financial markets expertise of its UK based founders. Over the years, as the Company established its business in Madagascar, it engaged local citizens from Madagascar in its operations and development and built a leadership team of Indian and French origin on the ground. The operations reflect the cultures of three nations in combination, and is extensively contributing to the development of skill sets of not only its Malagasy employee, but also the community around it. The management and workforce of the company comprise a mix of gender and nationality. The majority of the workforce and all board members are male. However, within the limitation of skill sets availability amongst women in relation to the Company's activity, it still provides equal opportunities for men and women. The Board is satisfied that the Company gives due regard to cultural and gender diversity and in the event of additions to its own membership or the membership of the senior management team or to its workforce it shall consider diversity and inclusion as an important factor.

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 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. Consequently, 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 30 September 2022 and signed on its behalf by

Mr Shishir Poddar
Executive Chairman and Managing Director

Directors' Report

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 2022.

The Directors' Report forms part of this Report.

Incorporation & admission to trading

The Company was incorporated in England and Wales on 26 April 2017 as a public Company and received admission of its ordinary shares for trading by the FCA on the main board of the LSE under the standard segment with effect from 14 December 2020.

Results and dividends

During the year, the Company and the Group progressed development of its corporate and business affairs which is detailed in the Business Review section of this report. The audited financial statements for the year for Company and the Group are set out from page 53 onwards. The key results from the activities of the Company can be summarised below:

- The flake graphite operations and their further developments in Madagascar continued throughout the year and yielded a gross profit before depreciation of £508,112 representing a gross margin on Sales before depreciation of 31%. (2021: £ 635,343 & 57% respectively)
- The Group EBITDA was £ (1,266,469) and Net loss of £ (1,923,486) for the year [2021: EBITDA £ (896,238) and Net Loss £ (1,276,939) respectively]
- Construction for the uprated 9,000 tpa Vatomina first plant was completed increasing the capacity in Madagascar operations from 3,000 to 12,000 tpa. Further, construction of 18,000tpa new facilities was initiated in the Sahamamy project and is expected to complete and achieve production over the next quarter.

No dividends will be distributed for the period ended 31 March 2022.

Financial instruments

In consultation with its financial and legal advisors, the Company approved a Warrant Instrument dated 15 July 2020 as a standard instrument for incentives primarily to its management team and service providers. Warrant certificates issued under the instrument, also covering previously approved incentives to the Board and Management were disclosed in the listing prospectus dated 14 December 2020 approved by the FCA. Further information about the use of financial instruments is detailed in note 22 to the financial statements.

Future developments

A commentary on the Group's future prospects and a description of principal risks and uncertainties are set out in the Business Review and Strategic Report sections.

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 20.

As on the date of this report, the Company has issued 86,939,832 class of ordinary shares. Each share carries the right to vote at general meetings of the Company, dividends, 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.

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's shareholders by way of special resolution dated 28 October 2022 to allot shares of Nominal Value of £0.025 each to the extent of aggregate Nominal Value of £718,398.

Directors and directors' interests

The Board is responsible for the Company's objectives and business strategy and its overall supervision. Acquisition, divestment, and other strategic decisions will all be considered and determined by the Board including, when circumstances permit, whether the payment of dividends, issue or buy back of shares is appropriate. The Directors, who served throughout the year except as noted, were as follows:

Director	Position	Appointment/resignation date
Mr Shishir Kumar Poddar	Executive Chairman and Managing Director	**26 April 2017**
Mr Christian G St. John-Dennis	Non-Executive Director	**26 April 2017**
Mr Hemant Kumar Poddar	Non-Executive Director	**26 April 2017**
Mr Rajesh Kedia	Non-Executive Director	**31 May 2018**
Mr Lincoln John Moore	Non-Executive Director	**1 August 2020/23 May 2022**

Biographical details of the Directors are available on the Company's website:

https://tirupatigraphite.co.uk/management/

The Board will provide leadership within a framework of appropriate and effective controls. The Board will set up, operate and monitor the corporate governance values of the Company, and will have overall responsibility for setting the Company's strategic aims, defining the business objective, managing the financial and operational resources of the Company and reviewing the performance of the officers and management of the Company's business.

All Directors are subject to re-election/re-appointment every three years on appointment, at the first AGM after appointment.

Further details on the functions of the Board can be found in the Corporate Governance Report section of this report.

The direct interests of the Directors in the shares of the Company as of 31 March 2022 are as follows:

Director	**Number of ordinary shares**	**Number of Share Warrants**
Mr Shishir Kumar Poddar	1,789,250	2,400,000
Mr Christian G St. John-Dennis	1,248,099	680,000
Mr Hemant Kumar Poddar	1,248,099	680,000
Mr Rajesh Kedia	419,116	380,000
Mr Lincoln John Moore	22,222	0

Mr. Shishir Kumar Poddar and Mr Hemant Kumar Poddar and their family members along with Tirupati Carbons and Chemicals Pvt Limited hold 32,484,472 shares as at 31 March 2022

Mr. Dennis along with family members & Optiva Securities Ltd hold 5,856,200 shares as at 31 March 2022

Directors' Remuneration

This section constitutes a remuneration report which forms part of the Directors' Report which sets out the Group's principles and policies on the remuneration of Executive and Non-Executive Directors, together with details of Directors' remuneration packages for the financial year ended 31 March 2022, and key points from the service contracts of the Directors. The Remuneration Committee is responsible for fixation of the remuneration of the of Directors on the Board of the Company. The Remuneration Committee was first formed in 2017 (year of incorporation of the Company) and is responsible for fixation of the remuneration of the of Directors on the Board of the Company in accordance with contracts. Further details on the Remuneration Committee is contained in the Corporate Governance Report.

Annual Statement

The Remuneration Committee recognises that the year is expected to be eventful in the development of the Company with extensive evolution of strategies, businesses, and developments, requiring devotion of time and efforts from the Board and Executive Management taking into consideration time zone variances across its locations and that such efforts deserve recognition and for individuals to be fairly rewarded for contributions to the Company's performance.

Guiding Principles for fixation of Directors Remuneration and Benefits

The principles and policies guiding the for fixation of remuneration and benefits for the Directors include:

- align remuneration with the stage of development of the Company and its growth and performance;
- recognising experience and expertise for development of its strategies and business and cost savings resultant thereupon;
- aim to reward fairly according to the nature of role and performance;
- correlate with remuneration packages offered by comparable companies; and
- the need to align the interests of shareholders as a whole with the long-term growth of the Group.

Elements for Directors Remuneration and Benefits

Element	Purpose	Operation
Base Remuneration	Available to Executive Directors only	Fixed on an annual basis, paid monthly in arrears or quarterly mid time.
Directors Fees	Available to all sitting Directors	Fixed on an annual basis, paid monthly in arrears or quarterly mid time.
Bonus	Available to Executive Directors only	Applicable for Executive Directors only, capped to 100% of annual salary based on growth and progress of the Company and contribution by the Director. The Bonus shall be considered annually in any year for the performance parameters of the Company in the previous year.
Pension	Available to Executive Directors only	Non-UK tax residents shall be provided with payment in lieu of Pension where applicable.
Share Warrants	Available to Executive Directors based on performance. Available to Non-Executive Directors as a special incentive.	Performance based on growth and value creation. Share Warrants shall be considered in any year based on performance parameters of the Company in the previous year.

Statement of Implementation

Directors' Remuneration (audited)

Details of Directors' Remuneration during the year ended 31 March 2022 is as follows:

	Salary and fees	Pension	Bonus	Share based payments	2022 Total
	£	£	£	£	£
Mr Shishir Kumar Poddar	320,000	30,000	264,000	-	614,000
Mr Christian G St. John-Dennis	38,000	-	-	-	38,000
Mr Hemant Kumar Poddar	38,000	-	-	-	38,000
Mr Rajesh Kedia	38,000	-	-	-	38,000
Mr Lincoln John Moore	36,000	-	-	-	36,000
TOTAL	**470,000**	**30,000**	**264,000**	**-**	**764,000**

Details of Directors' Remuneration during the year ended 31 March 2021 was as follows:

	Salary and fees	Pension	Bonus	Share based payments	2021 Total
	£	£	£	£	£
Mr Shishir Kumar Poddar	240,000	24,000	198,000	20,507	482,507
Mr Christian G St. John-Dennis	38,000	-	-	5,470	43,470
Mr Hemant Kumar Poddar	38,000	-	-	5,470	43,470
Mr Rajesh Kedia	38,000	-	-	5,402	43,402
Mr Lincoln John Moore	24,000	-	-	-	24,000
TOTAL	**378,000**	**24,000**	**198,000**	**36,849**	**636,849**

No share-based payment was made to the Directors during the year.

Total pension entitlements (audited)

The Company currently does not have any pension plans for any Executive Director as currently the only Executive Director is a non-UK tax resident and as such, receives payment in lieu of Pension in relation to their remuneration.

Payments to past directors (audited)

The Company has not paid any compensation to past Directors.

Consideration of employment conditions elsewhere in the Group

The committee has not consulted with employees about executive pay but considers that the current remuneration of Executive Directors is appropriate and commensurate with pay and employment benefits across the wider Group.

Substantial shareholdings

As at 15 September 2022, 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
Tirupati Carbons and Chemicals Pvt Limited	29,565,778	34.01
Nicolas Petitjean	4,140,300	4.76
Premier Miton Group plc	4,301,947	4.95
Optiva Securities Ltd	4,346,991	5.00

Tirupati Carbons and Chemicals Pvt Limited along with Shishir Kumar Poddar and Hemant Kumar Poddar and their family members hold 32,484,472 shares representing 37.36 % as at 15 September 2022

Optiva Securities Ltd along with family members of Mr. Dennis hold 5,856,200 shares representing 6.74 % as at 15 September 2022

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the 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 Accounting Standards as adopted by UK (IFRSs), and have also chosen to prepare the company financial statements under International Accounting Standards as adopted by UK (IFRSs). 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 profit or 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.

Responsibility statement of the Directors in respect of the Annual Report

We confirm that to the best of our knowledge:

1) 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
2) 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.

As at year end 31 March 2022, Tirupati Graphite Plc was a listed company on the standard segment of the main board of the London Stock Exchange and is not mandated to comply with the requirements of the 2018 U.K. Corporate Governance Code ("the Code") as issued by the Financial Reporting Council or any other code. However, the Company recognises the value of good governance practices and has voluntarily adopted the QCA Code so far is practicable given the Company's size and nature. The Corporate Governance section provides an extensive overview of the application of the code by the Company, given the Company's size and nature.

Charitable and political donations

The Company did not make any political or charitable donations during the financial period. In line with its sustainability initiatives, the Company engaged in various activities under its community development programme in and around the areas of its projects. The Sustainability Report section provides detailed insight on the activities conducted by the Company and the Company considers this as community investment leading to the ability of development of its projects with community support and as its obligation towards improving the quality of life of the people in the communities around it.

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 appropriate board or executive team meetings.

The recent years including a part of the year under reporting was an extraordinary one in terms of the concerns on health caused by the pandemic and the Company is happy to report that it implemented appropriate testing protocols for its employees and other health and safety measures across all its locations and that there were no incidences of spread of the coronavirus reported at any of its locations. The Company further supported the local health infrastructure by providing temperature and oxygen level measuring equipment and sourcing oxygen generators from global supply chains which was sent to the project area to be used as standby equipment during the height of the second wave which saw a global crisis in sourcing and securing medical oxygen equipment.

Furthermore, the company provides life and health cover to its leadership and management teams and the workforce is covered under the local Government health scheme for employees. The company maintains a health centre at both its projects and is well connected to health infrastructure in the location of its operations.

Statement of disclosure to independent auditors

Each of the persons who is a Director of the Company 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 PKF Littlejohn as Auditor of the Company will be proposed at the AGM.

Resolutions proposed at the Annual General Meeting

The Directors consider that all the resolutions to be put forward at the Annual General Meeting ("AGM") 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.

This report was approved by the Board of Directors on 30 September 2022 and signed on its behalf by

Mr Shishir Poddar
Executive Chairman and Managing Director

Corporate Governance Report

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 2022.

The Corporate Governance Report forms part of this report.

Chairman's Statement on Corporate Governance

Alongside Environment and Sustainability, Corporate Governance holds a vital role in the evolution of corporate entities. We have voluntarily decided to adapt the Quoted Companies Alliance Corporate Governance Code ("QCA Code") as the guiding principle for Corporate Governance so far is practicable given the Company's size and nature. We Tirupati Graphite Plc ("TG") are a Company in a specialist and niche area and derive much of our strengths from the extensive expertise and experience of the principal founder and Executive Chairman, who is the visionary, architect, strategist, and leader for much of the strengths we have gained bestowing in us the many successes since incorporation. Alongside him, the leadership team that drives the Company, including its Board and Management, emanate from decades of co-working and relationship building inherited by us, and are bestowed in TG with dedication to achieve its goals. Recognising this core strength of the Company, we shall adopt the core commandments and related principles of the QCA Code, as far as practicable, with documented variances.

Earning Trust, while building the business of the Company on its corporate journey, shall remain our core ethic and every member of the Company's Board and Management, shall remain dedicated to this core ethic. Our endeavours to earning trust shall span across our ecosystem and, though not limited to, includes:

- earning trust of our shareholders by effectively communicating with them;
- earning trust of regulators by remaining compliant and demonstrating an ethical corporate culture;
- earning trust of the communities by improving the quality of their lives;
- earning trust of our human capital by providing opportunities to deliver, proactively meeting their reasonable expectations, and rewarding performance and recognisable services to the Company.

We shall evolve our business by developing sound strategies, prudent business plans and striving to execute them to achieve value creation for our shareholders, the communities where we operate, our human capital and other stakeholders thus, delivering growth of the Company and all those that are associated with it.

To achieve the objectives of earning trust and delivering growth, we shall maintain a dynamic management framework guided by the principles of good governance under the QCA Code and evolve our team to meet the principles of:

- 'teamwork works' at all levels of the corporate and business unit management;
- promoting entrepreneurship, acquire and develop skill sets required for achieving the Company's business objectives;
- evaluating performance of the Board, its members and the executive management;
- evolving and promoting a culture of understanding, responsibility and ethical working; and
- maintaining a management structure that supports prompt and effective decision making with effective communication and coordination.

In line with the principles set above and derived from the QCA Code, it is applied across the Company's management and guides our decision-making processes. A commentary of the application of the ten principles of the QCA Code is appended below.

Principle One: Establish a strategy and business model which promotes long-term value for shareholders

The Company is engaged in developing an integrated flake graphite and graphene and advanced materials business. Towards this business purpose the Company has evolved a well-documented medium term development plan which encompasses the strategies adopted by the Company that is carefully crafted to align with the market dynamics of the materials it is engaged in working on. The plan has undergone rigorous and extensive analysis within the lead management team and the Board and is supported by appropriate independent market assessments which are conducted on an ongoing basis by subscription to independent market research and extensive internal market analytics. Additionally, the Company has evolved its strategy for diversification of its resource base to further strengthen its basket of flake graphite resources, mitigate against risks of relying on one source and jurisdiction for its base resource supply, and prepare itself with increased resources for future opportunities. One of the agenda items at all board meetings, except those which are for specific corporate activities, is the review of business development and the Board is constantly engaged on the progress in the evolution of the plan.

Principle Two: Seek to understand and meet shareholder needs and expectations

Prior to its admission on the LSE, the Company actively interacted with its shareholders both individually and in groups and continued to coordinate with its sole brokers for both dissipation of information and receiving feedback from its shareholders. The prospectus dated 14 December 2020 provided extensive information about the Company's resources for development of its business, the plans under which the Company intended to develop its business, its performance from existing operations, the risks associated and measures for mitigating them. Post its admission the Company has constantly informed shareholders of its progress through RNS, emails sent to shareholders and prospective investors through its brokers and directly and extensively dissipated information on social media. The Company maintains a dedicated email id for any shareholders to connect to the Company and has a team of officials and advisors whom any shareholder may contact by telephone. The Executive Chairman and management team members have held both one to one meetings with major shareholders and group meetings through video conferencing providing information on the Company's activities through a presentation and answering every question received as far as practicable and permissible within the bounds of confidentiality. The Board members joined the management team members on such events including at the annual general meeting for first-hand interaction with shareholders. Thus, the Company has maintained a robust ecosystem for ongoing dialogue with its shareholders.

Principle Three: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Company has adopted a win-win approach of earning trust and extensive support of all stakeholders in the growth and prosperity of the Company. It is focussed to develop extensive support of its customers and prospective customers by building sustainable relationships providing comfort of source diversity and adapting to the expectations, evolving its operations to meet them. It maintains extensive support earning priority and preferential cost from its suppliers of goods and services, developing long lasting relationships. It maintains deep engagement with its leadership team, to ensure their happiness and thus earning dedication to the services of the Company working extended hours by choice and with a sense of responsibility. The extensive engagement is visible in the outcomes of the business development in as much as the Company continues to receive repeated orders from its current buyer and support of the prospective buyers for its products and services, delivered stringent timelines in building its projects with support of its suppliers and dedicate efforts of its human capital in spite of limitations caused by the pandemic and continues to grow its business.

The Company formulated its community connect program "Shakuntalam" symbolising motherhood for its community engagement in Madagascar for its primary flake graphite projects and has extensively engaged with the local community understanding their needs and formulating programs for improving the quality of their lives. Extensive support has been provided by the Company for health, education, vocational training and skill development and infrastructure access, more fully described in its Sustainability Report, resulting in a community licence for development of its projects gaining support from the community. It also has extensively engaged with the local & regional Governments providing support for their basic needs, and extensively engaged with Governmental authorities providing extensive information on its activities and while remaining compliant, earning support for its development.

Principle Four: Embed effective risk management, considering both opportunities and threats, throughout the organization

While remaining conscious and identifying opportunities thus building its business remain an ongoing activity for the Board and management of the Company, the evaluation, mitigation and management of risks also remain an ongoing activity in the Company's activities. The Board and management review and extensively engage for the purpose, and collectively work to mitigate any negative impacts of potential risks. An in-depth and extensive exercise of risk mapping was undertaken prior to the admission in the Prospectus document and under the leadership of the chair and in consultation with the Company's advisors, the Company continues to actively assess, mitigate and manage its potential risks. The potential acquisition of primary graphite projects in Mozambique to diversify and enhance its resource base and extensive management team development activities to expand its team are some of the visible actions by the Company since the publishing of its prospectus.

Principle Five: Maintain the Board as a well-functioning, balanced team led by the Chair

The Board of the Company is composed of five members led by the Executive Chairman with four Non-Executive Members. The balance of the members on the Board in relation to the concert party as recognised by the Takeover Panel is maintained with a majority of members being outside the concert party. With the three founding Directors continuing on the Board, the Company appointed its fourth Director in mid of 2018 and a fifth in August 2020. The Executive Chairman, being the mentor of the Company, continues to provide effective leadership to the Board shaping the Company and visible in its growth. The Company and its Board have severally recognised that the Executive Chairman has provided effective leadership to the Board and the Company as a whole, is the only member on the Board who meets all the criteria set for the role of the chair and his leadership is key to the success of the development of the Company's business. Hence any moderate variances from the guidance of the QCA code is considered appropriate for nature of the Company and its objectives.

The Board of the Company provides effective collective leadership to the Company and are constantly engaged in overlooking the development of the Company's business. The Board is scheduled to have a minimum of four formal meetings every year. During the year under reporting, seven meetings of the Board were held and appropriate decisions taken. Three Board committees have been established which include the Nomination, Audit and Remuneration committee with appropriate terms of reference and the committees hold at least one meeting annually to execute their respective area of business. Majority of members in the committees are Non-Executive members. A detailed note of the activities of the Board and its committees and identification of independent directors is provided in further below in this report.

Principle Six: Ensure that between them, the directors have the necessary up-to-date experience, skills and capabilities

The Board and the Nomination committee have evaluated the mix of experience and skill sets within the members of the Board and on the basis that:

- three members on the Board have previous executive and/or Non-Executive board position on listed company boards; and
- collectively, the board possesses decades of experience in the area of business of the Company; and
- two members on the board are qualified accountants; and
- collectively the members on the board have more than five decades of financial markets experience; and
- collectively the board possesses all the skill sets that it considers necessary for the conduct and evaluation of the Company's business.

As the Company is growing, the nomination committee and the board are conscious that it may need to review and take appropriate decisions in due course for expansion of the board.

Principle Seven: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

Internal evaluation of the members of the Board, is undertaken on an ongoing basis by the Executive Chairman. to determine the effectiveness and performance as well as the Directors' continued independence. As a part of the appraisal the appropriateness and opportunity for continuing professional development whether formal or informal is assessed. The evaluation of performance of the Executive Chairman is undertaken on an ongoing basis by the Board collectively and recorded in the minutes where and as appropriate.

Principle Eight: Promote a corporate culture that is based on ethical values and behaviours

The Company has constantly evolved a corporate culture of prudence, ethical working and behaviour at all levels of management. The positive experience of the new Non-Executive Director who joined the Board in August 2020, has acknowledged the ethical working of the Company, which is a testament to the Company's positive and constructive culture.

The Board seeks to maintain the highest standards of integrity and probity in the conduct of the Group's operations. These values are enshrined in the written policies and working practices adopted by all employees in the Group. An open culture is encouraged within the Group, with regular communications to the Group's workforce regarding progress and feedback regularly sought. The executive leadership team regularly monitors the Group's cultural environment and seeks to address any concerns that may arise, escalating these to Board level as necessary.

The Group is committed to providing a safe environment for its staff and all other parties for which the Group has a legal or moral responsibility in this area. The Group's health and safety policies and procedures encompass all aspects of the Group's day-to-day operations.

Issues of bribery and corruption are taken seriously. The Company has a zero-tolerance approach to bribery and corruption and has an anti-bribery and corruption policy in place to protect the Company, its employees and those third parties to which the business engages with. The policy is provided to staff upon joining the business and training is provided to ensure that all employees within the business are aware of the importance of preventing bribery and corruption. Each employment contract specifies that the employee will comply with the policies.

The Group further participates with the local community for cultural integration across its regions of operation, participating in events like independence days and other cultural festivities building relations with its stakeholders and expressing respect for its communities.

There were no issues to note during the financial year 1 April 2020 to 31 March 2021.

Principle Nine: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Board functions as a vibrant group, with no hesitation in exchange of thoughts, extensive analytics, and discussions in terms of the Company's evolved strategy and business development goals leading to further evolution of the Company's business and remains collectively responsible for achieving growth, earning trust and effective communications with shareholders. The Board committees' function in terms of their terms of reference. The relationship of the Company with the founders is governed under a relationship agreement providing sufficient leverage for independent assessment. The chair provides effective leadership to the board for the purpose and in terms of the extant principles set out in the memorandum of director's responsibility, the Chairman is considered to be independent and effective leader of the Board providing the required leadership for the growth and development of the Company's business.

Principle Ten: Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Continued and effective communication with the shareholders and stakeholders remains a high priority and aims to ensure that all communications concerning the Group's activities are clear, fair, and accurate. Full details of how the Company maintains a dialogue with shareholders and other stakeholders is set out in Principle 2 above.

Board objectives and operation

The key objectives of the Board are as follows:

- The agreement of Company strategies.
- The agreement of the detailed set of objectives and policies that facilitate the achievement of the Company's strategies.
- Monitoring the performance of executive management in the delivery of objectives and strategies.

- Monitoring and safeguarding the financial position of the Company and Group to ensure that objectives and strategies are delivered.
- Approval of major capital expenditure and other expenditure that is not part of the defined objectives or strategic plans of the Company.
- 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 team members 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.

Meetings of the Board of Directors

The Directors meet regularly and are responsible for formulating, reviewing, and approving the Group's strategy, budgets, performance, major capital expenditure and corporate actions, both in formal Board meetings and otherwise to ensure development of the Company's business. All Directors have access to advice from independent professionals at the Company's expense. All Directors have access to the extensive database of the Quoted Companies Alliance of which the Company is a member. Training is available for new and existing Directors as necessary.

Five Board meetings were held during the year. The Directors' attendance recorded during the year are as follows:

Director	**Number of meetings attended**	**% of Attendance**
Mr Shishir Kumar Poddar	**5**	**100**
Mr Christian G St. John-Dennis	**5**	**100**
Mr Hemant Kumar Poddar	**5**	**100**
Mr Rajesh Kedia	**5**	**100**
Mr Lincoln John Moore*	**5**	**100**

* Resigned in May 2022

In addition to the members on the Board, invitees to meetings of the Board included, as appropriate, advisors and corporate management team members of the executive management of the Company.

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 Nominations Committee consists of Mr Shishir Kumar Poddar, Mr Christian G St. John-Dennis and Mr. Rajesh Kedia. During the year under reporting the Nominations Committee did not meet, there being no necessity to do so.

The Executive Chairman conducts an induction process for a new Director to the board, provides extensive briefing for a new member to fully understand the Company's business and the requirements of his roles, makes introductions with the extended leadership team and provides all guidance for evolving the effective contribution by a Director to the activities of the Company and the Board.

Audit Committee

Formal terms of reference for the Audit Committee have been documented and made available to each member of the committee. The Audit Committee consisted of Mr Shishir Kumar Poddar, Mr Lincoln John Moore and Mr. Rajesh Kedia during the year and post resignation of Mr. Moore, Mr Christian St. John Dennis has been added co-opted as a member in the committee. 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 the auditor's 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 formally and continued informal discussions to resolve certain treatments in relation to share based payments under IFRS. Matters considered at these meetings included: reviewing and approving the report and financial statements for the period ended 31 March 2021; 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 currently consists of Mr Shishir Kumar Poddar and Mr Rajesh Kedia and members of the executive management leading the finance and corporate team of the Company.

Remuneration Committee

The Remuneration Committee comprises Mr Shishir Kumar Poddar, Mr Christian G St. John-Dennis and Mr. Rajesh Kedia. The Remuneration Committee reviews the performance of the Board including the Executive Chairman and any member of the concert party being part of the management team on matters relating to their remuneration, bonus and their terms of service. The Remuneration Committee also makes recommendations to the Board on granting of share warrants or other equity-based incentives to the Board and senior management from time to time. The Remuneration Committee meets at least once a year and as and when it is necessary.

The Remuneration Committee further seeks to provide guidance on remuneration packages to attract, retain and motivate the leadership management team of the Company and the Group and seeks to avoid paying more than is necessary for this purpose. It has access to independent advice from the Company's advisors on all aspects of remuneration and benefits and terms of service of the Company's Board and executive management team. During the year 1 April 2021 to 31 March 2022, the Renumeration Committee met twice for conduct of business of the committee.

Internal controls

The Board is responsible for the Group and the Company's system of internal controls 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 controls are appropriate. On advice from the Audit Committee, the Board does not consider any additional independent verification of the system of internal controls 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.

Dialogue with major shareholders

The Board is committed to maintaining effective communication and having constructive dialogue with its shareholders. During the year 1 April 2021 to 31 March 2022, the Company extensively engaged with both its current and prospective, 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 AGM.

This report was approved by the Board of Directors on 30 September 2022 and signed on its behalf by

Mr Shishir Poddar
Executive Chairman and Managing Director

Accountants &
business advisers

Independent Auditor's Report to the Members of Tirupati Graphite PLC

Opinion

We have audited the financial statements of Tirupati Graphite PLC (the 'company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the company financial statements have been properly prepared in accordance with UK-adopted international accounting standards (UK IAS) and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 group and 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 public interest 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and company's ability to continue to adopt the going concern basis of accounting included:

- consideration of the company's and group's objectives, policies and processes in managing its capital as well as exposure to financial, credit and liquidity risks;
- reviewing the cash flow forecasts for the ensuing twelve months from the date of approval of these group financial statements and assessment thereof;
- performing sensitivity analysis on the cash flow forecast prepared by management, and challenging the assumptions included thereto surrounding the commissioning of the new Sahamamy plant, fund raising through convertible loan notes and acquisitions;
- reviewing the management's going concern assessment and discussing with management regarding the future plans and availability of funding; and
- reviewing the adequacy and completeness of disclosures in the group financial statements

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. Materiality is used to determine the group financial statement areas that are included within the scope of our audit and the extent of sample sizes during the audit. No significant changes have come to light during the course of the audit which required a revision to our group materiality for the group financial statements as a whole.

Materiality for the group financial statements was set at £242,380 (2021: £140,000). This was calculated based on 1.5% of gross assets for the year. Using our professional judgement, we have determined this to be the principal benchmark within the financial statements as it will be most relevant to stakeholders in assessing the financial performance of the group as the key focus of the group is to build assets pertaining to mining in Madagascar. This benchmark is key in being able to demonstrate to stakeholders, the costs incurred in bringing these mines to production and achieving increased revenues in future periods.

Materiality for the significant components of the group ranged from £93,000 (2021: £56,000) to £241,000 (2021: £139,000) based on 1.5% of gross assets for each component.

Materiality for the company financial statements was set at £241,000 (2021: £139,000). This was calculated on the same basis as group materiality.

Performance materiality for the group financial statements was set at £169,666 (2021: £98,000) and the company was set at £168,700 (2021: £97,300), being 70% of materiality for the financial statements as a whole respectively. The performance materiality for the significant components is calculated on the same basis as group materiality. In determining performance materiality, we considered the following factors:

- our cumulative knowledge of the group and its environment, including industry specific trends;
- the change in the level of judgement required in key accounting estimates;
- the stability in key management personnel; and
- the level of misstatements identified in prior periods

We agreed to report to those charged with governance all corrected and uncorrected misstatements we identified through our audit with a value in excess of £12,119 (2021: £7,000) and for the company a value in excess of £12,050 (2021: £6,950). We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our approach to the audit

Our audit is risk based and is designed to focus our efforts on the areas at greatest risk of material misstatement, together with areas subject to significant management judgement.

In designing our audit, we determined materiality and assessed the risks of material misstatement in the group and company financial statements. In particular we looked at areas involving significant accounting estimates and judgements by the directors and considered future events that are inherently uncertain. This included, but were not limited to the impairment of the underlying assets. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

As part of our audit, we assessed all components of the group for their significance in order to determine the scope of the work to be performed. Each component was assessed as to whether they were significant or not to the group by either their size or risk. The company and the 2 operating subsidiaries were considered to be significant due to identified risk and size. Those entities of the group which were considered to be significant components, being Tirupati Graphite PLC (holding and parent company), Tirupati Madagascar Ventures ("TMV") and Establissements Rostaing ("ER"), were subject to full scope audit procedures by PKF Littlejohn LLP. Procedures were then performed to address the risks identified and for the most significant assessed risks of material misstatement, the procedures performed are outlined below in the key audit matters section of this report.

Tirupati Resources Mauritius was a holding company and trivial to the consolidated financial statements and was wounded up during the year and therefore group analytical procedures only have been performed in respect of this entity. Tirupati Graphite PLC is now the holding and parent company for the group.

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	How our scope addressed this matter
Carrying value of groups fixed assets- Note 12 & 14	
The group holds fixed assets such as tangible assets in the form of property, plant and equipment and intangible assets in the form of exploration and evaluation costs. Management is required to assess whether there are potential indicators of impairment of the group's fixed assets at each reporting date and, if potential indicators of impairment are identified, management are required to perform a full assessment of the recoverable value of the assets. Given the uncertainty in the future production, sales profiles and the volatility in costs, there is a risk that management may not adequately identify all impairment indicators.	We performed the following procedures: • Confirmed the group and the company held good title to the license area; • Obtained an understanding of the internal control environment in operation surrounding the impairment review of fixed assets; • Reviewed managements considerations of impairment, including challenging the key assumptions made; • Assessed the competence and objectivity of the experts preparing competent persons report (CPR) and satisfied ourselves that they

Further there is risk that the assets capitalised in respect of the Sahamamy and Vatomina projects are overstated and depreciation has been understated.	were appropriately qualified to carry out the reserves estimation; • Reviewed the competent person report prepared by a third party expert and challenged the inputs used; • Reviewed the material assets for any indicators of impairment; and • Ensured the presentation and disclosures in the financial statements are sufficient and in accordance with IAS 36- Impairment of assets. Based on the procedures performed, we found management's assessment of the carrying value of fixed assets to be supported by the underlying models and the judgements and estimates applied to be reasonable.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and company 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.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or ap material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with 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 group and the company and their 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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements and the part of the directors' remuneration report to be audited 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 statement of directors' responsibilities, the directors are responsible for the preparation of the group and company 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 group and company financial statements, the directors are responsible for assessing the group's and 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 group or 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the mining sector.
- We determined the principal laws and regulations relevant to the group and company in this regard to be those arising from:
    - Financial Conduct Authority Rules;
    - UK Companies Act 2006;
    - UK-adopted international accounting standards;
    - London Stock Exchange Listing Requirements;
    - Disclosure Guidance and Transparency rules;
    - Import, Export and Customs Powers (Defence) Act 1939;
    - Madagascan Company Law;
    - Environmental and mining rules in Madagascar;
    - Employment laws;
    - Anti-Bribery Act;
    - Anti Money Laundering Regulations; and
    - Local tax laws and regulations.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and company with those laws and regulations. These procedures included, but were not limited to:
    - enquiries of management as well as appointed legal advisors;
    - review of board minutes;
    - review of legal / regulatory correspondence;
    - review of the Regulatory News Service (RNS) announcements; and
    - assessment of policies and procedure in:
        - identifying all applicable laws and regulations relevant;
        - ensuring compliance with the aforementioned; and
        - identifying, evaluating, accounting and disclosing such litigation claims.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls and from revenue recognition, inappropriate application of the going concern assessment in the financial statements and management bias in determining key accounting estimates (decommissioning provision and impairment of fixed assets and investments). These risks were addressed by performing journal testing and detailed testing for material sections including revenue, evaluating management's method to assess the entity's ability to continue as a going concern and challenging the key assumptions and judgements made by management when auditing significant accounting estimates (see key audit matter and going concern).

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Other matters which we are required to address

We were appointed by the audit committee under Companies Act 2006 of the United Kingdom on 26 May 2021 to audit the financial statements for the period ending 31 March 2022 and subsequent financial periods. Our total uninterrupted period of engagement is 4 years, covering the periods ending 31 March 2018 to 31 March 2022.

The non-audit services prohibited by the FRC’s Ethical Standard were not provided to the group or the company and we remain independent of the group and the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our 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 auditor's 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.

Zahir Khaki

Mr. Zahir Khaki (Senior Statutory Auditor)

For and on behalf of PKF Littlejohn LLP

Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

30 September 2022

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2022

	Notes	2022	2021
		£	**£**
Continuing operations			
Revenue	**6**	1,645,308	1,123,426
Cost of Sales		(1,137,196)	(488,083)
Depreciation of Operating Assets		(482,641)	(146,893)
Gross profit		**25,471**	**488,450**
Administrative expenses	**7**	(1,857,019)	(1,590,411)
Operating loss		**(1,831,548)**	**(1,101,961)**
Finance costs	**9**	(140,209)	(147,151)
Loss before income tax		**(1,971,757)**	**(1,249,112)**
Income tax	**10**	48,271	(27,827)
Loss for the year attributable to owners of the Company		**(1,923,486)**	**(1,276,939)**
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(361,662)	(417,693)
Total comprehensive loss for the year attributable to the Group		**(2,285,147)**	**(1,694,632)**
Earnings per share attributable to owners of the Company		Pence per share	Pence per share
From continuing operations:			
Basic	**11**	**(2.66)**	**(2.61)**
Diluted*	**11**	**(2.66)**	**(2.61)**

*Note: The Dilutive instruments like warrants & CLNs issued by the company are resulting in anti-dilutive effect on EPS. Hence diluted EPS is shown as equal to basic EPS following IFRS requirements.

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

Consolidated and Company Statement of Financial Position

As at 31 March 2022

	Notes	Group		Company	
		2022	2021	2022	2021
		£	£	£	£
Non-current assets					
Investments in subsidiaries	**13**	-	-	3,901,023	3,539,448
Property, plant and equipment	**14**	7,356,121	3,020,142	-	201,725
Deferred tax	**24**	75,242	21,182	-	-
Deposits		6,806	1,872	-	-
Intangible assets	**12**	3,571,196	3,682,354	40,970	40,970
Total non-current assets		**11,009,365**	**6,725,550**	**3,941,993**	**3,782,143**
Current assets					
Inventory	**16**	732,274	461,093	-	212,581
Trade and other receivables	**15**	4,242,635	1,102,868	13,858,647	5,547,806
Cash and cash equivalents		1,534,023	1,644,189	1,505,410	1,491,454
Total current assets		**6,508,932**	**3,208,150**	**15,364,057**	**7,251,841**
Current liabilities					
Trade and other payables	**17**	730,869	445,273	315,207	219,780
Borrowings	**19**	536,000	-	536,000	-
Total current liabilities		**1,266,869**	**445,273**	**851,207**	**219,780**
Net current assets		**5,242,063**	**2,762,877**	**14,512,850**	**7,032,061**
Non-current liabilities					
Borrowings	**19**	473,000	1,283,000	473,000	1,283,000
Other payables	**17**	31,232	23,864	-	-
Total non-current liabilities		**504,232**	**1,306,864**	**473,000**	**1,283,000**

NET ASSETS		**15,747,196**	**8,181,563**	**17,981,843**	**9,531,204**
Equity					
Share capital	**20**	2,173,497	1,871,084	2,173,497	1,871,084
Share premium account		19,975,356	10,426,988	19,975,356	10,426,988
Warrant reserve	**21**	130,557	130,557	130,557	130,557
Foreign exchange reserve		(776,208)	(414,546)	-	-
Retained losses		(5,756,006)	(3,832,520)	(4,297,566)	(2,897,425)
Equity attributable to owners of the Company		**15,747,196**	**8,181,563**	**17,981,843**	**9,531,204**
TOTAL EQUITY		**15,747,196**	**8,181,563**	**17,981,843**	**9,531,204**

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the company statement of comprehensive income.

The loss for the company for the year was £1,400,141 (2021: £1,029,240).

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

The financial statements were approved by the Board of Directors on 30 September 2022 and signed on its behalf by:

Mr Shishir Poddar
Executive Chairman and Managing Director
Company registration number: 10742540

Consolidated Statement of Changes in Equity

For the year ended 31 March 2022

	Attributable to the owners of the company					
	Share capital	**Share premium**	**Foreign exchange reserve**	**Share warrants reserve**	**Retained losses**	**TOTAL EQUITY**
	£	**£**	**£**	**£**	**£**	**£**
Balance at 1 April 2020	**1,498,132**	**5,328,518**	**3,147**	**-**	**(2,555,582)**	**4,274,215**
Loss for the period	-	-	-	-	(1,276,938)	(1,276,938)
Other Comprehensive Income: Exchange translation loss on foreign operations	-	-	(417,693)	-	-	(417,693)
Total comprehensive income for the year:	**-**	**-**	**(417,693)**	**-**	**(1,276,938)**	**(1,694,631)**
Transactions with owners						
Issue of ordinary shares	372,952	5,098,470	-	-	-	5,471,422
Warrant charge	-	-	-	130,557	-	130,557
Total Transactions with owners, recognized directly in equity:	**372,952**	**5,098,470**	**-**	**130,557**	**-**	**5,601,979**
Balance at 31 March 2021	**1,871,084**	**10,426,988**	**(414,546)**	**130,557**	**(3,832,520)**	**8,181,563**
Loss for the year	-	-	-	-	(1,923,486)	(1,923,486)
Other Comprehensive Income: Exchange translation loss on foreign operations	-	-	(361,662)	-	-	(361,662)
Total comprehensive income for the year:	**-**	**-**	**(361,662)**		**(1,923,486)**	**(2,285,148)**

				-		
Transactions with owners						
Shares issued	302,413	9,548,368	-	-	-	9,850,781
Transactions with Equity owners:	**302,413**	**9,548,368**	**-**	**-**	**-**	**9,850,781**
Balance at 31 March 2022	**2,173,497**	**19,975,356**	**(776,208)**	**130,557**	**(5,756,006)**	**15,747,196**

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 losses – Represents accumulated comprehensive income for the year and prior years excluding translation.

Foreign exchange reserve – Represents exchange differences arising from the translation of the financial statements of foreign subsidiaries and the retranslation of monetary items forming part of the net investment in those subsidiaries.

Share warrant reserve – Represents reserve for equity component of warrants issued as per IFRS 2 share-based payments.

Company Statement of Changes in Equity

For the year ended 31 March 2022

	Attributable to equity shareholders				
	Share capital	**Share premium**	**Share warrants reserve**	**Retained losses**	**TOTAL EQUITY**
	£	**£**	**£**	**£**	**£**
Balance at 1 April 2020	**1,498,132**	**5,328,518**	**-**	**(1,868,185)**	**4,958,465**
Loss for the period	-	-	-	(1,029,240)	(1,029,240)
Total comprehensive income:	**-**	**-**	**-**	**(1,029,240)**	**(1,029,240)**
Transactions with owners					
Shares issued	372,952	5,098,470	-	-	5,471,422
Warrant charge	-	-	130,557	-	130,557
Total Transactions with owners:	**372,952**	**5,098,470**	**130,557**	**-**	**5,601,979**
Balance at 31 March 2021	**1,871,084**	**10,426,988**	**130,557**	**(2,897,425)**	**9,531,204**
Loss for the year	-	-	-	(1,400,141)	(1,400,141)
Total comprehensive income:	**-**	**-**	**-**	**(1,400,141)**	**(1,400,141)**
Transactions with owners					
Shares issued	302,413	9,548,368	-	-	9,850,781
Total Transactions with Equity owners:	**302,413**	**9,548,368**	**-**	**-**	**9,850,781**
Balance at 31 March 2022	**2,173,497**	**19,975,356**	**130,557**	**(4,297,566)**	**17,981,843**

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 losses – Represents accumulated comprehensive income for the year and prior years.

Share warrant reserve – Represents reserve for equity component of warrants issued as per IFRS 2 share-based payments.

Consolidated Statement of Cash Flows

For the year ended 31 March 2022

		2022	2021
		£	£
Cash used in operating activities			
Loss for the year		**(1,923,486)**	**(1,276,940)**
Adjustment for:			
Depreciation		565,079	205,723
Convertible loan note costs ("CLN")		-	21,910
Share based payments expense		-	49,627
Finance costs		140,209	147,151
Income tax		(48,271)	27,827
Working capital changes:			
Increase in inventories		(271,181)	(310,987)
(Increase)/Decrease in receivables		(547,603)	(693,559)
Increase in payables		285,596	17,402
Increase/(Decrease) in DTA & Other assets		(10,723)	27,827
Net cash used in operating activities		**(1,810,380)**	**(1,783,357)**
Cash flows from investing activities:			
Purchase of tangible assets		(5,151,562)	(1,245,230)
Advance for Capital Assets		(2,592,163)	(436,631)
Net cash from investing activities		**(7,743,725)**	**(1,681,861)**

Cash flows from financing activities*			
Proceeds from Shares issued (net of costs)		9,576,781	5,512,352
Proceeds from issue of Convertible loan notes		-	513,000
Cost of issue of Convertible loan notes		-	(21,910)
Finance cost		(140,209)	(147,151)
Increase / (decrease) in Lease & other long-term liability		7,368	(793,524)
Net cash from financing activities		**9,443,940**	**5,062,767**
Net increase in cash and cash equivalents		**(110,166)**	**1,597,549**
Cash and cash equivalents at beginning of period		1,644,189	46,640
Cash and cash equivalents at end of period		**1,534,023**	**1,644,189**

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

*For reconciliation of cash and non-cash items from financing activities refer Note No. 19 (Convertible loan notes) & note 20 (share capital).

Company Statement of Cash Flows

For the year ended 31 March 2022

		2022	2021
		£	**£**
Loss for the year		**(1,400,141)**	**(1,029,240)**
Adjustment for:			
Increase in inventories		212,580	(212,580)
Share based payments		-	49,627
CLN issuance cost		-	21,910
Finance costs		140,209	147,151
Working capital changes:			
Increase in receivables		(5,718,677)	(2,837,978)
Increase /(decrease) in payables		95,427	(213,576)
Net cash used in operating activities		**(6,670,602)**	**(4,074,686)**
Cash flows from investing activities:			
Sale of tangible assets		201,725	342,484
(Purchase)/sale of intangible assets		-	112,031
Advance for Capital Assets		(2,592,163)	-
Investment in subsidiaries		(361,575)	-
Net cash from investing activities		**(2,752,013)**	**454,515**

Cash flows from financing activities*			
Shares issued		9,576,781	5,512,352
Proceeds from issue of convertible loan notes		-	513,000
CLN issue cost		-	(21,910)
(decrease) in long term liabilities		-	(779,621)
Finance costs		(140,209)	(147,151)
Net cash from financing activities		**9,436,572**	**5,076,670**
Net increase in cash and cash equivalents		**13,956**	**1,456,499**
Cash and cash equivalents brought forward		1,491,454	34,955
Cash and cash equivalents carried forward		**1,505,410**	**1,491,454**

*For reconciliation of cash and non-cash items from financing activities refer Note No. 19 (Convertible loan notes) & note 20 (share capital).

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

Notes to the Financial Statements

1. General information

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

The Company is a public company, limited by shares. On 14 December 2021 the ordinary shares of the Company were admitted on the official list of the FCA and to trading on the main market of the London stock exchange through standard listing.

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.

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

2. Adoption of new and revised International Accounting Standards as adopted by UK (IFRSs)

New standards

The Group and Company have adopted all recognition, measurement, and disclosure requirements of IFRS, including any new and revised standards and Interpretations of IFRS, in effect for annual periods commencing on or after 1 April 2021. The adoption of these standards and amendments did not have any material impact on the financial result of position of the Group and Company.

Standards which are in issue but not yet effective:

At the date of authorisation of these financial statements, the following Standards and Interpretation, which have not yet been applied in these financial statements, were in issue but not yet effective.

Standard or interpretation	Description	Effective date
IAS 1	Amendments – Classification of Liabilities as Current or Non-Current	1 January 2023
IAS 16	Amendments – Property, Plant and Equipment	1 January 2022
IAS 8	Amendments – Definition of Accounting Estimates	1 January 2023
IAS 1	Amendments – Disclosure of Accounting Policies	1 January 2023
IFRS	Annual improvements to IFRS Standards 2018-2020	1 January 2022

The Group and Company have not early adopted any of the above standards and intends to adopt them when they become effective.

3. Significant accounting policies

Basis of preparation

These consolidated financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with the requirements of the Companies Act 2006.

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 preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

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 the Business Review and Strategic Report Sections. The financial position of the Group and the Company, their cash flows and liquidity positions are contained in the financial statements. The expected evolution of the business and significant post year end events is also described in the business review and strategic reports. In addition, the Annual Report discloses the Group's objectives, policies and processes for managing its business and capital; its financial risk management objectives; details of its financial instruments; and its exposure to credit and liquidity risk.

Since its Initial Public Offering and admission for trading on the standard segment of the London Stock Exchange the company embarked on the planned path of developing significant flake graphite mining and processing capacities across its two projects in Madagascar. During the year under review the company commissioned a 9,000 tpa new facility at its Vatomina projects enhancing its installed capacity from the previous 3,000 tpa to 12,000 tpa. It also initiated extensive infrastructure development across both its projects and initiated development of the next 18,000 tpa facility at its Sahamamy project. To meet its investment and working capital requirements it raised an additional £10,000,000 in equity during April 2021.

During the year under review, while the operations of Sahamamy continued amidst limitations, the debottlenecking of the new Vatomina plant was undertaken in the second half year period, during which the project produced sellable products too. Owing to extreme climatic conditions in respect of constant rainfall, the road infrastructure of both the Vatomina and Sahamamy projects remained challenging. Moreover, the new connecting road to Sahamamy project could not remain constantly operational. In spite of all the limitations, the company recorded total production of 2,996 tons and sales 2,662 tons from across the two projects. The difficulties in logistics remained a challenge and the company decided to split its processing plant in a manner that the transport of ore from mining areas to the processing plant is eliminated and accordingly by mid of August 2022, required relocations have been made and both plants put in operations. The rains having receded by this time too have enabled rebuilding of the roads and as of writing of this report all connectivity have been restored.

As per the company's plans, it started construction for its next 18,000 tpa mining and processing facility at its Sahamamy project which is expected to complete, commission and ramp up production from Q1 2023. Investment required for the development of this has been substantially made. All mine and plant equipment have either arrived at the project sites or have been paid for and under dispatch from origin.

In August 2022, the company engaged with its brokers for raising the gap funding required for completing the development of its projects to 30,000tpa. Additionally, the company also raised funds for the capital commitments for the acquisition of Suni Resources SA, a company incorporated in Mozambique holding two advanced stage flake graphite projects. An amount of £3,000,000 gross has been successfully raised by the company to meet the gap with£1,000,000 budgeted for the investment and working capital requirements for its current requirements and balance after costs for the acquisition.

On the operations account, for the year under review, the company generated gross Profits of £ 840,060 representing c. 51% of the revenues in spite of the fact that the new Vatomina project was only in the initial stages and operations remained impacted due to climatic conditions, mitigation of which have been effectively implemented for the future by the time of writing of this report. Going forward, as the production from the current 12,000 tpa capacity increases, the company expects to improve the gross margins. The year under review also represented the first full year of operations as a quoted company and with the management team for the expanding capacity of 30,000 tpa having been put in place during the year. Thus, the increased Admin costs for the year under review substantially captures the ongoing costs of the company. The company therefore believes that, subject to force majeure, from H2 of the current financial year 1 April 2022 to 31 March 2023, the company shall evolve to positive bottom line, has secured its financial needs for its current capacity under creation and operations ongoing, has an ongoing ability to meet its any further capital needs in adverse circumstances and remains financially secured.

Taking in to account the comments above, the Directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, given its current cash resources, installed capacities and operations, are expected to add further additional operating cash flows.

Where the Company is unable to meet its investment needs from the internal accruals coupled with its current cash resources and not raise additional funds in the foreseeable future for its investment plans, the Directors would implement delays in investment for additional capacities and / or cost and cash saving measures and continue to generate revenues in order to meet its liabilities as they fall due. Therefore, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Notwithstanding the loss incurred during the year under review, the Directors have prepared and reviewed a cash flow forecast. The forecast contains certain assumptions about the level of future sales and margins achievable. The Directors have considered various future scenarios in their forecasting to enable them to adequately consider whether the Group has adequate resources to continue in operational existence and remain of the view that the company has adequate cash resources, business prospects and access to capital markets to remain a going concern.

Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Group consists of Tirupati Graphite plc and its wholly owned subsidiaries Tirupati Resources Mauritius, Tirupati Madagascar Ventures and Establissements Rostaing.

In the company financial statements, investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Tirupati Graphite plc and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances, and unrealised gains on transactions between Group companies are eliminated on consolidation.

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 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. The Group reports on a three-segment basis – Holding Companies 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 or services supplied in course of ordinary business, stated net of discounts, returns and value added taxes. The Group recognises revenue in accordance with IFRS 15 at either a point in time or over time, depending on the nature of the goods or services and existence of acceptance clauses.

Revenue from the sale of goods is recognised when delivery has taken place and the performance obligation of delivering the goods has taken place. The performance obligation of products sold are transferred according to the specific delivery terms that have been formally agreed with the customer, generally upon delivery when the bill of lading is signed as evidence that they have accepted the product delivered to them.

Foreign currencies

For the purposes of the consolidated financial statements, the results and financial position of each Group company 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.

Taxation

Income tax represents the sum of current tax and deferred tax.

Current tax

Current tax is based on taxable profit or loss for the year. Taxable profit or loss differs from net profit or loss 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.

Assets Under Construction

All expenditure on the construction, installation or completion of infrastructure facilities is capitalised as construction in progress within “Assets Under Construction”. Once production starts, all assets included in “Assets Under Construction” will be transferred into “Property, Plant and Equipment”. It is at this point that depreciation/amortisation commences over its useful economic life.

Assets Under Construction are stated at cost. The initial cost comprises transferred Mining Exploration and Evaluation assets, construction costs, infrastructure facilities, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and, for qualifying assets, borrowing costs. Costs are capitalised and categorised as construction in progress.

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. Costs 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.

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
Infrastructure and fixtures	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 scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Development costs

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.

Mining Exploration and Evaluation

Mining Exploration and Evaluation costs are carried forward in respect of areas of interest where the consolidated entity's rights to tenure are current, and where these costs are expected to be recouped through successful development into production from the area of interest or by sale or disposal of the project. Alternatively, these costs are carried forward while active and significant exploration and evaluation costs being incurred. Intangible assets comprise of exploration costs purchased as part of the acquisition in prior years continuing in relation to the areas of interest and it is too early to make reasonable assessment of the existence or otherwise of economical production from the area of interest.

Costs incurred by the Company on behalf of its subsidiaries and associated with exploration and evaluation activities are capitalised on a project-by-project basis pending commencement of production from the project. Costs incurred include appropriate technical and administrative expenses but not general overheads. If the exploration and evaluation activities lead to economic production from the project, the related expenditures will be written-off over the estimated life of 10 years (useful economic life) on straight line method.

Impairment reviews are carried out regularly by the Directors of the Company. Where a project is abandoned, or is considered to be of no further commercial value, the related costs will be written off to the Statement of Comprehensive Income.

The recoverability of these costs is dependent upon the exploration and evaluation activities successfully transitioning into production from the project, the ability of the Group to obtain necessary financing to complete the development of the project and derive future profitable production or proceeds from the sale or disposal of the project.

Intangible assets (i.e. Exploration and evaluation assets) recorded at fair-value on business combination

Exploration assets which are acquired as part of a business combination are recognised at fair value in accordance with IFRS 3. When a business combination results in the acquisition of an entity whose only significant assets are its exploration asset and/or rights to explore, the Directors consider that the fair value of the exploration assets is equal to the consideration. Any excess of the consideration over the capitalised exploration asset is attributed to the fair value of the exploration asset.

Exploration and evaluation assets are recorded and held at cost

Exploration and evaluation assets are not subject to amortisation, as such at the year-end all intangibles held have an indefinite life, but are assessed annually for impairment. The assessment is carried out by allocating exploration and evaluation assets to cash generating units ('CGU's'), which are based on specific projects or geographical areas. The CGU's are then assessed for impairment using a variety of methods including those specified in IFRS 6. Whenever the exploration for and evaluation of mineral resources in cash generating units does not lead to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities of that unit, the associated expenditures are written off to the Income Statement.

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.

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

Initial recognition and measurement

The Group applies IFRS 9 "Financial Instruments" and elected the simplified approach method.

The Group classifies its financial assets in the following categories: loans and receivables and fair value through profit and loss. The classification depends on the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and this designation at every reporting date.

Loans and receivables

Loans and receivables 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 comprise trade and other receivables and cash and cash equivalents in the Consolidated Statement of Financial Position.

Financial assets are measured upon initial recognition at fair value plus transaction costs directly attributable to the acquisition of the financial assets, except for financial assets measured at fair value through profit or loss in respect of which transaction costs are recorded in profit or loss. 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.

The fair value of the liability portion of a convertible bond is determined using a market rate of interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Cash and cash equivalents

Cash and cash equivalents include 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

The Group assesses on a forward-looking basis the expected credit losses associated with its instruments carried at amortized cost and Fair Value Through Profit or Loss ("FVTPL"). The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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.

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.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Borrowings

These financial liabilities are all non-interest bearing (except borrowing made through convertible loan notes) and are initially recognised at amortised costs and include the transaction costs directly related to the issuance. The transaction costs are amortised using the effective interest rate method over the life of the liability.

Financial liabilities at Fair Value Through Profit or Loss ("FVTPL")

Financial liabilities at FVTPL comprise of the Company's convertible loan notes payable. Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the income statement.

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.

Convertible Loan Notes (CLNs)

Convertible Loan Notes are recorded at their issue price and are carried at their face value. Any interest due on these CLNs is recorded on accrual basis. On conversion/redemption the face value of converted CLNs is reduced from the total carried value. Interest at 12% p.a. is paid semi-annually in June and December.

Share based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and condition of equity settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

As a result of the increase in share price and the impact of the estimation of share-based payments the Group has now recognised an expense for the outstanding share options and warrants.

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) 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.

<u>Intragroup receivables</u>

The Company assessed the recoverability of intragroup receivables, and it does not require any impairment adjustment in current financial year.

<u>Production assets</u>

The Group is required to perform an impairment review on its production assets. The calculation is most sensitive to the following assumptions:

• Production volumes

• Sales volumes

• Graphite prices

• Operating overheads

• Inventory Estimated production volumes are based on the production capability of the plant and estimated customer demand.

The directors have assessed the value of its production assets. In their opinion there has been no impairment loss to these intangible assets in the period.

<u>Useful economic lives of property, plant and equipment</u>

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets, taking into account that the assets are not used throughout the whole year due to the seasonality of the locations. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the property plant and equipment and note 3 for the useful economic lives for each class of assets.

Impairment of intangible assets

Exploration and evaluation costs have a carrying value at 31 March 2022 of £3,571,196 (2021: £3,682,354) Such assets have an indefinite useful life as the Group has a right to renew exploration licences and the asset is only amortised once extraction of the resource commences. Management tests for impairment annually whether exploration projects have future economic value in accordance with the accounting policy stated in Note 3. Each exploration project is subject to an annual review by either a consultant or senior company geologist to determine if the exploration results returned during the period warrant further exploration expenditure and have the potential to result in an economic discovery. This review takes into consideration long term graphite prices, anticipated resource volumes and supply and demand outlook. In the event that a project does not represent an economic exploration target and results indicate there is no additional upside a decision will be made to discontinue exploration; an impairment charge will then be recognised in the Income Statement.

The directors have assessed the value of its exploration assets. In their opinion there has been no impairment loss to these intangible assets in the period.

Provision for restoration costs

The Company makes good any provision for the cost of rehabilitating the end-of-life production sites and related production facilities at the same time as production. The rehabilitation costs are charged to the Income statement as incurred. As is privy to the Group's environment and sustainability initiatives management take note of the Environment Commitment Book which underlines in-county regulations set out by the Malagasy Government, and the environmental conditions within the mining permit, which covers the Group's obligations towards restauration and rehabilitation. The group has adopted a principle of ongoing rehabilitation activities. The directors do not believe any further provision Is required because the project areas in Madagascar are located within a moderately undulating area and the Company's mine planning takes this into consideration the topographic advantage. In addition, the nature of the deposit and pit design is such that rehabilitation and restoration of mining areas is an ongoing and concurrent activity undertaken by the Group. In line with the requirements of the licence, they have already incurred costs relating to the construction of anti-erosion infrastructures, dam cleaning, wall making, soil restoration and some reforestation of areas.

Following limited and small-scale production to date, the Group's operations after the year end will significantly increase and management will therefore undertake another detailed analysis of their environmental and restoration obligations following increased activity in line with its second Sustainability Report which shall be formulated against the Global Reporting Initiative (GRI) Index, one of leading industry benchmarks which has been adopted by the Company. The Sustainability Report will provide deeper insights on the various mechanisms and steps taken by the Company to meet their legal obligations and improve the lives of people in some of the most deprived regions and its workplaces, reduce environmental impacts and to have environment friendly operations across the various legs of its business. The Sustainability Report will also highlight the goals and targets set by the Company for the longer-term and the green technologies developed by the Company. Once this exercise is completed, management will review the findings and assess whether any activities are to be performed in this regard.

5. Segmental analysis

The Management believes, under IFRS 8 – "Segmental Information", the Group operated in three primary business segments in 2022, being Holding Companies Expenses, Mining Exploration and Development and Graphite Mining Extraction.

Segmentation by continuing businesses

Segment results

	2022	2021
	£	£
Revenue to external customers		
Graphite Mining Extraction	**1,645,308**	1,123,426
(Loss) before income tax		
Holding Companies Expenses	**(1,400,142)**	(1,002,218)
Mining Exploration and Development	**-**	(239,555)
Graphite Mining Extraction	**(571,615)**	(14,957)
Net assets/(liabilities)		
Holding Company Expenses	**19,381,985**	9,120,707
Mining Exploration and Development	**-**	(698,823)
Graphite Mining Extraction	**(3,634,789)**	(237,415)

Segmentation by geographical area:

	2022	2021
	£	£
Revenue to external customers		
UK	**1,645,308**	1,123,019
Mauritius	**-**	-
Madagascar	**-**	407
(Loss) before income tax		
UK	**(1,400,142)**	(1,036,857)
Mauritius	**-**	785
Madagascar	**(571,615)**	(220,658)

Net assets

UK	**19,381,985**	9,534,110
Mauritius	-	159,159
Madagascar	**(3,634,789)**	(1,508,800)

6. Revenue from contracts with customers

The Group & the company derives revenue from the transfer of goods at a point in time in the following major product lines and geographical regions:

2022	**USA**	**Europe**	**Asia**	**Total**
Revenue from external customers	34,000	224,033	1,387,275	1,645,308
Timing of recognition:				
At a point in time	34,000	224,033	1,387,275	1,645,308

2021	**USA**	**Europe**	**Asia**	**Total**
Revenue from external customers	19,565	211,584	892,277	1,123,426
Timing of recognition:				
At a point in time	19,565	211,584	892,277	1,123,426

Following customers constituted more than 10% of the revenue, their respective share of revenue is mentioned below:

	2022	2021
	£	£
Customer A	224,033	184,134
Customer B	488,330	239,793
Customer C	287,247	238,602
Customer D	430,429	169,567

Revenues of approximately £1,430,039 (2021: £832,096) are derived from 4 customers who each account for greater than 10% of the group's & company's total revenues.

7. Expenses by nature

	2022	2021
	£	£
The following items have been included in arriving at operating loss		
Depreciation on other assets	**565,079**	205,723
Net foreign exchange loss	**(95,171)**	(22,058)
PR/IR Expenses	**131,885**	119,181
Professional Fees	**124,454**	55,421
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 Company and consolidated financial statements	**45,000**	45,000
Fees payable to the Company's auditor and its associates for other services:		
Corporate finance services	-	50,000

8. Employee information

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

	2022	2021
Number of employees for the year:	290	203

	£	£
Wages & salaries (for the above employees)	1,118,892	930,707
Social security costs	40,485	12,521
Share based payments	-	68,739
	1,159,377	1,011,967

Directors' remuneration and transactions

	2022	2021
	£	£
Directors' remuneration		
Emoluments and fees	**764,000**	634,849

	£	£
Remuneration of the highest paid director:		
Emoluments and fees	**320,000**	240,000
Payment in lieu of retirement benefits	**30,000**	24,000
Bonus	**264,000**	198,000
Share based payments	-	20,507

Refer to Directors Remuneration Report for further information in respect of Directors' remuneration.

9. Finance cost

	2022	2021
	£	£
Interest Expense	**140,209**	147,151

10. Income tax

	2022	2021
	£	£
Loss on ordinary activities before tax	**(1,971,757)**	(1,249,113)
Loss on ordinary activities multiplied by weighted average tax rate	(384,429)	(249,823)
Minimum tax in Madagascar	5,946	-
Tax on disallowed items	157,164	83,475
Tax losses carried forward (deferred tax not recognised)	173,048	194,175
Net tax (credit))/ charge	**(48,271)**	27,827

Current tax charge	5,946	-
Deferred tax (credit)/charge	(54,217)	27,827
Net tax (credit)/ charge	**(48,271)**	27,827

The Group has tax losses available to be carried forward and used against trading profits arising in future periods of £4,371,054 (2021: £2,660,796). A deferred tax asset of £837,841 (2021: £532,159) calculated at a weighted average rate of 20% has not been recognised in respect of the tax losses carried forward on the basis that there is insufficient certainty over the level of future profits to utilise against this amount.

11. 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.

	2022	2021
Continuing operations:		
Loss attributable to equity holders of the Company (£)	**(2,285,147)**	(1,694,632)
Weighted average number of ordinary shares in issue	**85,876,108**	64,883,546
Loss per share (pence)	**(2.66)**	(2.61)

	2022	2021
Diluted number of ordinary shares in issue	**92,494,422**	71,357,375

Given the loss for the year, the diluted earnings per share was the same as basic earnings per share as this would otherwise be dilutive.

12. Intangible Assets

Group

Cost	**£**
At 1 April 2020	3,691,243
Additions	-
Forex Change	8,889
At 1 April 2021	3,682,354
Impairment	-
Forex Change	(111,158)
At 31 March 2022	**3,571,196**

Accumulated amortisation	
At 1 April 2020	-
Charge for the year	-
At 1 April 2021	-
Charge for the year	-
At 31 March 2022	**-**

Net book value	
At 1 April 2020	3,691,243
At 1 April 2021	3,682,354
At 31 March 2022	**3,571,196**

Intangible assets comprise exploration and evaluation costs. Exploration and evaluation assets are all internally generated, except for those acquired at fair value as part of a business combination.

The projects in Madagascar have a current JORC compliant mineral resource of 25.1 million tonnes. Further exploration across the two projects is ongoing. There are no JORC (Joint Ore Reserves Committee) or non-JORC compliant resource estimates available to enable value in use calculations to be prepared. The Directors therefore undertook an assessment of the following areas and circumstances that could indicate the existence of impairment:

- The Group's right to explore in an area has expired, or will expire in the near future without renewal;
- No further exploration or evaluation is planned or budgeted for;
- A decision has been taken by the Board to discontinue exploration and evaluation in an area due to the absence of a commercial level of reserves; or
- Sufficient data exists to indicate that the book value will not be fully recovered from future development and production.

Following their assessment, the Directors concluded that no impairment charge was required at 31 March 2022

13. Investments

Company	**Shares in group undertaking**
Cost	**£**
At 1 April 2020	3,539,448
At 1 April 2021	3,539,448
Addition	361,575
At 31 March 2022	**3,901,023**

Net book value	
At 1 April 2020	3,539,448
At 1 April 2021	3,539,448
At 31 March 2022	**3,901,023**

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: C/o Alliance Financial Services Ltd, Level 2, Standard Chartered Tower, Cybercity, Ebene, Republic of Mauritius

Nature of business: Holding and administrative entity

	%
Class of share	Holding
Ordinary shares	100*

*Tirupati Resources Mauritius was liquidated on 28th May 2021 and the shares are transferred to Tirupati Graphite Plc

Tirupati Madagascar Ventures

Registered: Lot II N 95 SB BIS E, Ambatobe, Antananarivo 103, Madagascar

Nature of business: Graphite mining extraction

	%
Class of share	Holding
Ordinary shares	98*

*indirectly through Tirupati Resources Mauritius. Tirupati Resources Mauritius was liquidated on 28th May 2021 and the shares have been transferred to Tirupati Graphite Plc. Balance 1% each is held by Mr. Shishir & Mr. Hemant respectively on behalf of the company.

Establissements Rostaing

Registered: Lot II N 95 SB BIS E, Ambatobe, Antananarivo 103, Madagascar

Nature of business: Graphite mining extraction

	%
Class of share	Holding
Ordinary shares	100*

* *indirectly by Tirupati Resources Mauritius.* Tirupati Resources Mauritius was liquidated on 28th May 2021 and the shares are transferred to Tirupati Graphite Plc

14. Property, plant and equipment

Group	Plant and Machinery	Infrastructure & Fixtures*	Assets under construction	Total
	£	£	£	£
Cost				
At 1 April 2020	1,249,624	116,819	902,532	2,268,975
Additions	735,950	294,976	217,210	1,248,136
At 1 April 2021	1,985,574	411,795	1,119,742	3,517,111
Additions	3,305,123	1,593,029	-	4,898,152
Reclassification	487,713	-	(487,713)	-
At 31 March 2022	**5,778,410**	**2,004,824**	**632,029**	**8,415,263**
At 1 April 2020	254,361	33,979	-	288,340
Depreciation	146,893	58,830	-	205,723
At 1 April 2021	401,254	92,809	-	494,063
Depreciation	482,641	82,438	-	565,079
At 31 March 2022	**883,895**	**175,247**	**-**	**1,059,142**
Carrying amount				
As at 1 April 2021	1,584,320	318,986	1,116,836	3,020,142
As at 31 March 2022	**4,894,515**	**1,829,577**	**632,029**	**7,356,121**

Company	Assets under construction £	Total £
Cost	£	
At 1 April 2020	544,209	544,209
Additions	(339,578)	(339,578)
At 1 April 2021	204,631	204,631

Transfer to Subsidiary	(204,631)	(204,631)
At 31 March 2022	**-**	**-**
At 1 April 2020	-	-
Depreciation	-	-
At 1 April 2021	-	-
Depreciation	-	-
At 31 March 2022	**-**	**-**
Carrying amount		
As at 1 April 2021	204,631	204,631
As at 31 March 2022	**-**	**-**

Note: Infrastructure & fixtures includes mine development assets 2022: £737,396 (2021: Nil) and right of use assets 2022: £ 51,998 (2021: £ 32,432)

15. Trade and other receivables

	Group		**Company**	
	2022	2021	**2022**	2021
	£	£	**£**	£
Trade receivables	532,370	721,534	532,370	566,646
Advance for Capex	2,592,163	-	2,592,163	-
VAT Refunds	942,458	-	12,274	-
Other debtors	106,423	381,334	2,898	87,846
Prepayments	69,220	-	99,221	-
Amounts owed by group undertakings	-	-	10,619,721	4,893,314
	4,242,634	**1,102,868**	**13,858,647**	**5,547,806**

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. All sales of the company are in USD.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due.

At 31 March 2022	Current	More than 30 days	More than 60 Days	More than 90 days	Total
	£	£	£	£	£
Expected loss rate	0%	0%	0%	80%	0%
Gross trade receivables	532,370	-	-	-	-
Loss allowance	-	-	-	-	-

At 31 March 2021	Current	More than 30 days	More than 60 Days	More than 90 days	Total
	£	£	£	£	£
Expected loss rate	0%	0%	0%	80%	0%
Gross trade receivables	721,534	-	-	-	-
Loss allowance	-	-	-	-	-

Trade receivables are provided for when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due. There are no significant known risks, and therefore no provision is made as at 31 March 2021 & 31 March 2022.

16. Inventories

	Group	
	2022	**2021**
Cost and net book value	**£**	**£**
Raw materials and consumables	563,923	222,352
Finished and semi-finished goods	168,351	26,160
Goods in Transit	-	212,580
	732,274	**461,092**

17. Trade and other payables

Current:

	Group		Company	
	2022	2021	**2022**	2021
	£	£	**£**	£
Trade payables	**548,906**	403,361	188,534	146,213
Social security and other taxes	**18,817**	3,422	-	-
Amounts due from group	-	-	-	35,077

Accruals	**163,146**	38,490	126,673	38,490
	730,869	445,273	**315,207**	**219,780**

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

Non-current:

	Group		**Company**	
	2022	2021	**2022**	2021
	£	£	**£**	£
Lease liability	**31,232**	23,864	**-**	**-**
	31,232	23,864	-	-

Lease liability is recognized in accordance with requirements of IFRS 16. It requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

Additional disclosure as per IFRS 16 is as follows:

	Group	
	2022	2021
	£	£
Addition in lease liability & ROU asset	21,521	-
Interest charged during the year	6,590	3,125
Amortization of Right to use asset (Incl. in Infrastructure & fixtures)	1,955	1,517

18. Provisions

No provisions have existed within the financial year or persist at year end.

19. Borrowings

During this financial year the convertible loan note instrument ("CLN") £274k were converted in the equity. In the year ended 31st March 2022, Interest on the CLN is chargeable at 12%.

	2022	**2021**
Within one year	536,000	-
Between 2 and 5 years	473,000	1,283,000
	1,009,000	**1,283,000**

Following table denotes changes in borrowings

	2022	2021
Opening Balance as on 1st April	1,283,000	810,000
Issued during the year	-	513,000
Redeemed/Converted during the year	(274,000)	(40,000)
Closing Balance as on 31st March	**1,009,000**	**1,283,000**

The loan notes shall be redeemed by the Company, at any time after the first anniversary of an Initial Public Offering up to the Maturity Date or by the Noteholder or the Company, on the Maturity Date being 3 years from date of issue.

Conversion can be made 15 Business Days after the date of completion of a successful Initial Public Offering to convert all of the Notes outstanding into fully paid Ordinary Shares at a price equal to the price per Share paid by investors participating in the Initial Public Offering.

20. Share capital

	2022	**2022**	2021	2021
	Number	**£**	Number	£
Allotted, called up and fully paid				
Ordinary shares of 2.5p each	**86,939,832**	**2,173,497**	74,843,323	1,871,084

Shares were issued during the year as follows:

	Cost of issue (£)	**Number of shares issued**
Shares issued from a placing on 15 April 2021	498,521	11,111,111
Shares issued on conversion of CLNs on 28 July 2021	-	253,333
Shares issued on conversion of CLNs on 29 November 2021	-	355,556
Shares issued from a placing on 04 January 2022	-	376,509
	498,521	**12,096,509**

21. Share based payments & warrant reserve

During the first two years after incorporation of the Company, with the consent of its Board and senior management team, the Company adopted a minimal approach to incentives and provided no bonuses to the executive management team or the Board. However, to show the appreciation of the Company, the Board was provided with an annual incentive package in the form of warrants to subscribe for equity shares of the Company at a premium to the prices at which Ordinary Shares have been subscribed when the Company raised equity in the relevant period. The Company has also provided broker warrants to Optiva, on a success basis, for the fundraising activities executed by it prior to Admission. In addition to this, the Company has also issued warrants to some CLN subscribers for funds raised before admission of the Company to the LSE.

All warrants are equity-settled, in accordance with IFRS 2, by award of warrants to acquire ordinary shares or award of ordinary shares. The fair value of these awards has been calculated at the date of grant of the award. The fair value of the warrants granted was calculated using a Black-Scholes model. Changes in the assumptions can affect the fair value estimate of a Black-Scholes model.

Following are the key assumptions used to estimate the fair value of the warrants issued:

a) Expected Volatility: 20%
b) Contractual Life of the warrant: 3 years
c) Risk free interest rate: 0.38% p.a.

Following warrants over ordinary shares have been granted by the Company and are outstanding as on 31 March 2022:

Grant Date	Expiry Date	Exercise Price (£)	Number of warrants exercisable and outstanding
31 December 2017	31 December 2022	0.300	1,000,000
31 December 2018	31 December 2022	0.400	1,520,000
31 March 2019	31 March 2023	0.400	480,000
31 December 2019	31 December 2023	0.400	1,620,000
26 February 2020	26 February 2023	0.675	36,000
31 March 2020	31 March 2023	0.400	960,000
15 June 2020	15 June 2023	0.675	222,222
15 June 2020	15 June 2023	0.900	222,222
30 June 2020	30 June 2023	0.675	22,800
16 July 2020	12 August 2022	0.525	41,143
14 December 2020	14 December 2023	0.450	170,329
14 December 2020	14 December 2023	0.675	113,553
20 April 2021	20 April 2024	1.350	222,222
		Total	**6,630,491**

Following table denotes changes warrants outstanding

	2022	2021
Opening Balance as on 1st April	6,784,778	6,492,609
Issued during the year	222,222	792,269
Exercised during the year	(376,509)	(500,100)
Closing Balance as on 31st March	**6,630,491**	**6,784,778**

During the year 2022, the warrants were issued to the company's brokers and costs relating to them has been netted from share premium account.

Though the Company had committed to provide these warrants to the parties mentioned in the table below since financial year 2017-18, the warrant instrument under which these warrants are approved was finalized and formally approved by the board in the current financial year the warrant reserve was created first time in the current financial year, as the charge relating to previous periods was immaterial to the Company.

Warrants issued to	Number of warrants outstanding	**Warrant reserve** £
Brokers	606,047	**16,457**
Members of the Board & executive management	5,580,000	**68,739**
CLN Investors	444,444	**45,361**
Total	6,630,491	**130,557**

22. 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 company, comprising issued capital and retained earnings.

Fair value of financial assets and liabilities for the group

	Valuation, Methodology and hierarchy	**Book value 2022 £**	**Fair value 2022 £**	Book value 2021 £	Fair value 2021 £
Financial assets					
Cash and cash equivalents	(a)	**1,534,023**	**1,534,023**	1,644,189	1,644,189
Loans and receivables, net of impairment	(a)	**4,242,635**	**4,242,635**	1,102,868	1,102,868
Total at amortised cost		**5,776,658**	**5,776,658**	2,747,057	2,747,057
Financial liabilities					
Trade and other payables	(a)	**730,869**	**730,869**	445,273	445,273
Borrowings and provisions	(a)	**1,009,000**	**1,009,000**	1,283,000	1,283,000
Lease Liabilities	(a)	**31,232**	**31,232**	23,864	23,864
Total at amortised cost		**1,771,101**	**1,771,101**	1,752,137	1,752,137

Fair value of financial assets and liabilities for the company

	Valuation, Methodology and hierarchy	**Book value 2022 £**	**Fair value 2022 £**	Book value 2021 £	Fair value 2021 £
Financial assets					
Cash and cash equivalents	(a)	**1,505,410**	**1,505,410**	1,491,454	1,491,454
Loans and receivables, net of impairment	(a)	**13,858,647**	**13,858,647**	5,547,806	5,547,806
Total at amortised cost		**15,364,057**	**15,364,057**	7,039,261	7,039,261
Financial liabilities					
Trade and other payables	(a)	**315,207**	**315,207**	219,780	219,780
Borrowings and provisions	(a)	**1,009,000**	**1,009,000**	1,283,000	1,283,000
Total at amortised cost		**1,324,207**	**1,324,207**	1,502,780	1,502,780

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.

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 2022.

The Group considers its maximum exposure to be:

	2022	2021

	£	£
Financial assets		
Cash and cash equivalents	**1,534,023**	1,644,189
Loans and receivables, net of impairment	**4,242,635**	1,102,868
	5,776,658	2,747,057

The company considers its maximum exposure to be:

	2022	2021
	£	£
Financial assets		
Cash and cash equivalents	**1,505,410**	1,491,454
Loans and receivables, net of impairment	**13,858,647**	5,547,806
	15,364,057	7,039,261

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 for the group:

31 March 2022	Carrying amount £	Contractual cash flows £	6 months or less £	6 to 12 months £	1 to 2 years £	2 to 5 years £
Non–derivative financial liabilities						
Trade and other payables	730,869	-	730,869	-	-	-
Borrowings	1,009,000	-	116,000	420,000	473,000	-
31 March 2021						
Non–derivative financial liabilities						
Trade and other payables	445,273	-	445,273	-	-	-
Borrowings	1,283,000	-	-	-	-	1,283,000

The following are the contractual maturities of financial liabilities for the company:

31 March 2022	Carrying amount £	Contractual cash flows £	6 months or less £	6 to 12 months £	1 to 2 years £	2 to 5 years £
Non–derivative financial liabilities						
Trade and other payables	315,207	-	315,207	-	-	-
Borrowings	1,009,000	-	116,000	420,000	473,000	-
31 March 2021						
Non–derivative financial liabilities						
Trade and other payables	219,780	-	219,780	-	-	-
Borrowings	1,283,000	-	-	-	-	1,283,000

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 operates internationally and is exposed to foreign exchange risk. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. The Group's primary currency exposure is to US Dollar, which is the currency of all intra-group transactions as well as denomination of selling price of the products. The group also has some exposure to Malagasy ariary due to its operating subsidiaries in Madagascar.

Considering the natural hedge available the Group currently doesn't hedge the currency risk. The Group's and Company's exposure to foreign currency risk at the end of the reporting period is summarised below. All amounts are presented in GBP equivalent.

	USD	**MGA**	USD	MGA
Group	**2022**	**2022**	2021	2021
	£	**£**	£	£
Cash and cash equivalents	**19,405**	**18,550**	90,236	66,118
Trade & other receivables	**3,127,431**	**1,003,709**	522,400	489,622
Trade & other payables	**(188,534)**	**(415,662)**	(151,353)	(301,816)
Net Exposure	**2,958,302**	**606,597**	461,283	253,924

	USD	USD
Company	**2022**	2021
	£	£
Cash and cash equivalents	**9,342**	3,619
Loans to subsidiaries	**9,797,683**	4,893,314
Trade & other receivables	**3,949,469**	522,400
Trade & other payables	**(224,937)**	(151,353)
Net Exposure	**13,531,557**	5,267,980

Sensitivity Analysis

As shown in the table above, the Group is primarily exposed to changes in the GBP:USD & GBP:MGA exchange rates. The table below shows the impact in GBP on pre-tax profit and loss of a 10% increase/ decrease in the GBP to USD exchange rate, holding all other variables constant. Also shown is the impact of a 10% increase/decrease in the GBP to MGA exchange rate, being the other primary currency exposure.

2022	**Group**	**Company**
	£	**£**
GBP:USD exchange rate increases by 10%	**295,830**	**1,353,156**
GBP:USD exchange rate decreases by 10%	**(295,830)**	**(1,353,156)**
GBP:MGA exchange rate increases by 10%	**60,660**	**-**
GBP:MGA exchange rate decreases by 10%	**(60,660)**	**-**

2021	Group	Company
	£	£
GBP:USD exchange rate increases by 10%	532	53,071
GBP:USD exchange rate decreases by 10%	(592)	(64,864)
GBP:MGA exchange rate increases by 10%	(51,402)	-
GBP:MGA exchange rate decreases by 10%	57,183	-

23. 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, included within debtors was an amount of Nil (2021: Nil) and revenue recorded for the year of Nil (2021: £46,090), Specialized machinery purchased of £24,822 (2021: £295,122) from TCCPL

Tirupati Speciality Graphite Private Limited (TSG) is an entity incorporated in India. The Company is connected to TSG in that both Shishir Poddar and Hemant Poddar were both directors and shareholders of TSG during the year. At year end, a net amount was receivable of £1,567,693 (2021 - £250,656), revenue of £287,247 (2021 - £238,602) , Specialized machinery purchased of £1,484,087 (2021: £833,741) from TSG.

Haritmay Ventures LLP (HV) is an entity incorporated in India and engaged in manufacturing proprietary tailor-made flake graphite processing machinery and equipment which the Company uses in its projects. The Company is connected to HV in that Shishir Poddar is partner and shareholder of HV during the year. At year end, a net amount was receivable of £230,624 (2020 - £72,552). Specialized machinery purchased of £494,471 (2021: Nil)

Optiva Securities Limited is an entity incorporated in the United Kingdom. The Company is a stock brokerage firm connected to the Company being the sole broker of the Company and Christian Gabriel St.John-Dennis one of the directors of the Company and holding a position with Optiva Securities Limited during the year. At year end, the Company incurred brokerage and consultancy fees, business development fees of £440,000 (2021 - £378,402) and brokerage and consultancy fees prepaid of £ 6,250 (2021 – Nil)

24. Deferred Tax Assets

	2022	2021
Brought forward DTA	21,182	49,422
Created/(reversed) during the year	54,217	(27,827)
Forex	(157)	(413)
Carried forward DTA	**75,242**	**21,182**

25. Events after the reporting period

In August/September 2022, the Company completed capital raise in the form of Convertible Loan Notes 2022 of £1,862,500 gross proceeds with institutional and other investors. The net proceeds will primarily be used to expedite and accelerate the Company's modular MTDP.

In August/September 2022, the company completed commissioning and start re-engineered preconcentrate facilities at Vatomina and adoption of the concept for the under construction 18,000 tpa facilities in Sahamamy project in Madagascar.

In August/September 2022, the company signed a binding agreement, subject to approval of transfer, for three additional mining permits in Madagascar covering a total area of 31.25km^2 and located in the vicinity of the Company's existing projects in the country; The consideration agreed for the acquisition is a total of MGA 800 million (c.£167,000) to be paid in cash upon milestones in the process of completing the transfer of the permits to the Company.