Tirupati Graphite plc

Annual report and financial statements for the year ended 31 March 2023

Registered number: 10742540

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Company Information

DIRECTORS:	S K Poddar H K Poddar R Kedia I de Salis (Appointed 1st June 2023)
COMPANY SECRETARY:	London Registrars Ltd Suite A, 6 Honduras Street London EC1Y 0TH
REGISTRARS:	Share Registrars Ltd. The Courtyard 17 West Street Farnham Surrey GU9 7DR
REGISTERED OFFICE:	Optiva Securities Ltd, 118 Piccadilly London W1J 7NW
CORPORATE BROKERS & FINANCIAL ADVISORS:	Optiva Securities Ltd 118 Piccadilly London W1J 7NW
COMPANY REGISTRATION NUMBER:	10742540
INDEPENDENT AUDITORS:	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
LEGAL COUNSEL:	Bird & Bird LLP 12 New Fetter Lane London EC4A 1JP
BANKERS:	ICICI Bank UK Plc One Thomas More Square London E1W 9HB
PUBLIC RELATIONS:	FTI Consulting 200 Aldersgate Aldersgate Street London EC1A 4HD

Chairman's Statement

I am pleased to present the sixth Annual Report of the Company to our shareholders. Tirupati Graphite ('TG") has continued to evolve and expand, helping to address the increasing demand for graphite, one of the key critical minerals in the energy transition, especially for emerging supply chains non-dependent on single nations. 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 now completed two full financial years 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 have also sharpened our long term aims, targeting circa 8% of the global flake graphite market by 2030, estimated to be circa 400,000 tpa, in the long-term as EV adaptation gains ground. The Company set the base for this by completing the acquisition of two world class graphite projects in Mozambique. 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 presents us with.

We are pleased to report that our first stage of development to a capacity that enables us to become a profitable Company at the Corporate level was completed during the year under reporting and incorporated successful operational innovations at our producing projects. The Company also successfully completed the acquisition of Suni Resources S.A., incorporated in Mozambique, post year end. Across its two projects, Suni holds a globally significant resource base that sets an expanded foundation for our significant ambitions as part of the global energy transition, with particular focus on the electric vehicle segment.

It has been tireless efforts from the Board and management of the Company that has led us to reach this stage and we will continue to build from here with our step-by-step approach. Achieving the capacities, we have to date significantly strengthened our standing as a company and our prospects for growing further business moving forward. We will refine our capacity development for a short period and assess the location options for our near-term future capacity additions that will best fit the needs of our growing business, whether in Madagascar or in Mozambique. In this period, it is our target to fully optimise the outcomes of the capacities already created and continue to develop deep relationships with markets of this critical mineral.

Shishir Poddar
Executive Chairman & Managing Director

02 August 2023

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 2023.

A. RECAP

Since Incorporation in April 2017, Tirupati Graphite Plc has been developing its business as a specialist natural graphite company. Natural graphite is a speciality material significant to the green economy and is designated as a Critical Mineral by the UK, Europe, Canada, Australia, India, Japan, and the United States of America. Since 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 developing its 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, and the Company is accredited with the Green Economy Mark of the London Stock Exchange.

Through its two subsidiaries in Madagascar, the Company holds c.33 square kilometres of flake graphite mining permits originally issued for forty years. The first of the three held by the Company being part of the Sahamamy project fall due for renewal in October 2039, the second being Vatomina project which falls due for renewal in December 2055, and the third being part of the Sahamamy project fall due for renewal in April 2056. It has been engaged in developing these to a target 84,000 tons per annum output capacity. By the end of the year under report, the Company had established a globally significant 30,000 tons annual production capacity across its two Madagascar projects, the operations of which are currently being ramped up with a target to reach 75% - 80% capacity utilisation in the near term and to 100% by end of FY24, which may require the Company to add standby and balancing facilities like additional power generation equipment, water resources optimisation and additional PCU's build to maximise plant run time and output efficiency.

In August 2021 the Company 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, with licence to build to 100,000 tpa graphite output and Balama Central is a DFS level project ready for development. The transaction completed post period end on 01 April 2023 and the Company has since announced action it has taken to further test material from the Montepuez project in order to optimise previously completed studies and future operations.

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 engaged in developing downstream processing of flake graphite, and development of mineral processing technologies, graphene, and advanced materials. Hi-tech applications of graphite require further processing of upstream graphite produced at primary operations including purification, intercalation, micronisation and spheroidisation. Additionally, TSG intended to develop a technology centre for mineral processing technology, graphene manufacture and applications development. The completion of the acquisition has been stalled for various regulatory issues and the Company has identified various alternatives for the business integration.

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 market and its derivative products. The strategy has enabled the Company into its position as a globally significant flake graphite producer with production capacity achieved via investment and capital intensity levels per unit of production capacity created lower than its peers, while it has continued to facilitate systematic and realistic user-oriented market development for the Company's products.

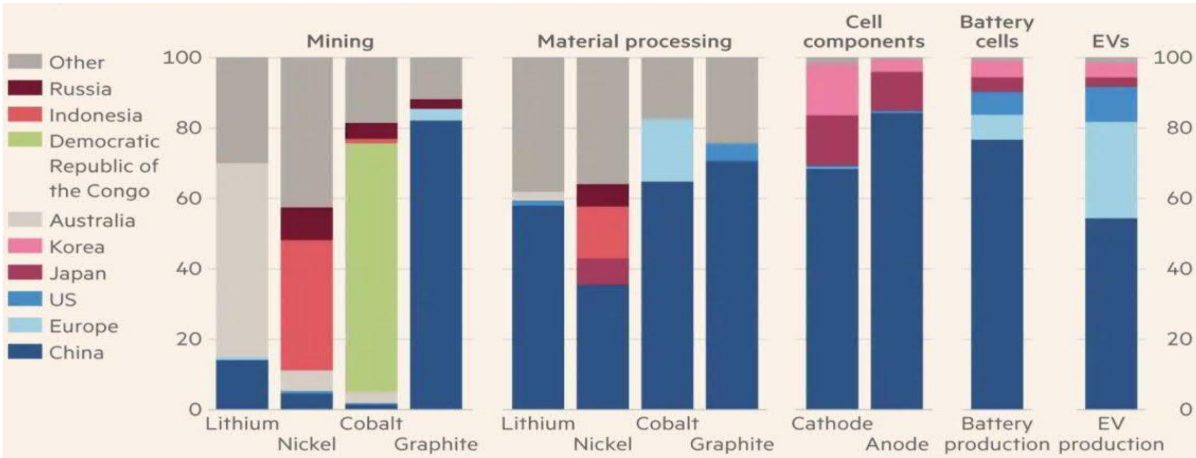
The Company continues to develop its business and the year under review saw multifaceted achievements as are further described in this Annual Report.

B. ADDRESSABLE MARKETS

The diverse and unique properties of graphite provide an extensive sectoral diversity for the markets. The long-term demand profile of graphite continues to remain highly favourable, and the total expected addressable market continues to grow. Significant application growth areas stem from graphite's key role in green mobility as the largest material constituent of lithium ion ("Li-ion") batteries. Additionally, graphite has diverse applications in fuel cells, stationary energy storage, thermal management in electronics, fire safety, metal manufacturing and forming, polymers, composites, and other advanced materials.

The Company has now reached a significant global production capacity buildout of 30,000TPA natural flake graphite which it is optimising to reach 75%- 80% utilisation and assessing steps required to reach 100% like adding standby and balancing facilities such as additional power generation equipment, water resources optimisation, additional PCU's, to maximise plant run time and output efficiency. It is supplying this Critical Mineral globally into various applications and focusing on expanding its market in green economy applications to help facilitate the global energy transition and meet global climate goals. The Company is supplying its natural graphite products into USA, Europe, India, other parts of Asia, expanding its markets and customer base as it grows, and is one of the very few producers outside China.

Circa 68% of the primary graphite production and 100% of the downstream processed graphite is currently produced in China according to research from various bodies. Almost 100% of commercial anode material capacity rests in East Asia today, with very little downstream processing of scale initiated outside of China. Thus, diversification of supply is essential for security of supply given the growing global demand and importance of flake graphite as a classified Critical Mineral for the energy transition and future decarbonised economy. There have been recent events involving other Critical Minerals that have demonstrated the importance of reducing over-dependence on single nations and suppliers of certain materials vital for the energy transition and decarbonisation of supply chains.



Above: Geographical distribution of the global EV battery supply chain % Source: IEA, FT©

Natural graphite is the battery mineral with a supply chain most dominated by a single nation. Being a key component in the energy transition and with extensive dependence on a single dominant source, China, flake graphite has been classified as a Critical Mineral by the US, India, Japan, Australia, EU, the UK and Canada. Increasingly, policy initiatives are being announced by governments around the world to secure this and other Critical Minerals.

This imperative to diversify and secure supply chains for Critical Minerals supports the Company's mission and offering as one of the very few current producers of significant scale outside China in securing new markets for its products. The low capital intensity required relative to peers to bring online more supply capacities and the in-house processing expertise also contributes to making the Company attractive and awareness of its activities continues to grow. The Company continues to receive various commercial inquiries and continuously reviews opportunities as a result with shareholder value in mind.

Flake graphite has multiple growing applications with the highest demand growth expected from the use in anode of Li-ion batteries, graphite being the largest constituent of the battery. It is estimated that on an average, >28% of Lithium-ion batteries contained in passenger electric vehicles is comprised of Graphite, the market for which has continued to grow rapidly. In 2022, passenger electric vehicle penetration of the global car market obtained an overall market share of 14%, increasing from 4% in 2020. This figure is set to increase by another 18% in 2023 according to the International Energy Agency's Global EV Outlook 2023. The primary sources of natural graphite are very limited outside China.

Benchmark Minerals Intelligence forecasts extensive primary capacity development required to meet expected natural graphite demand:

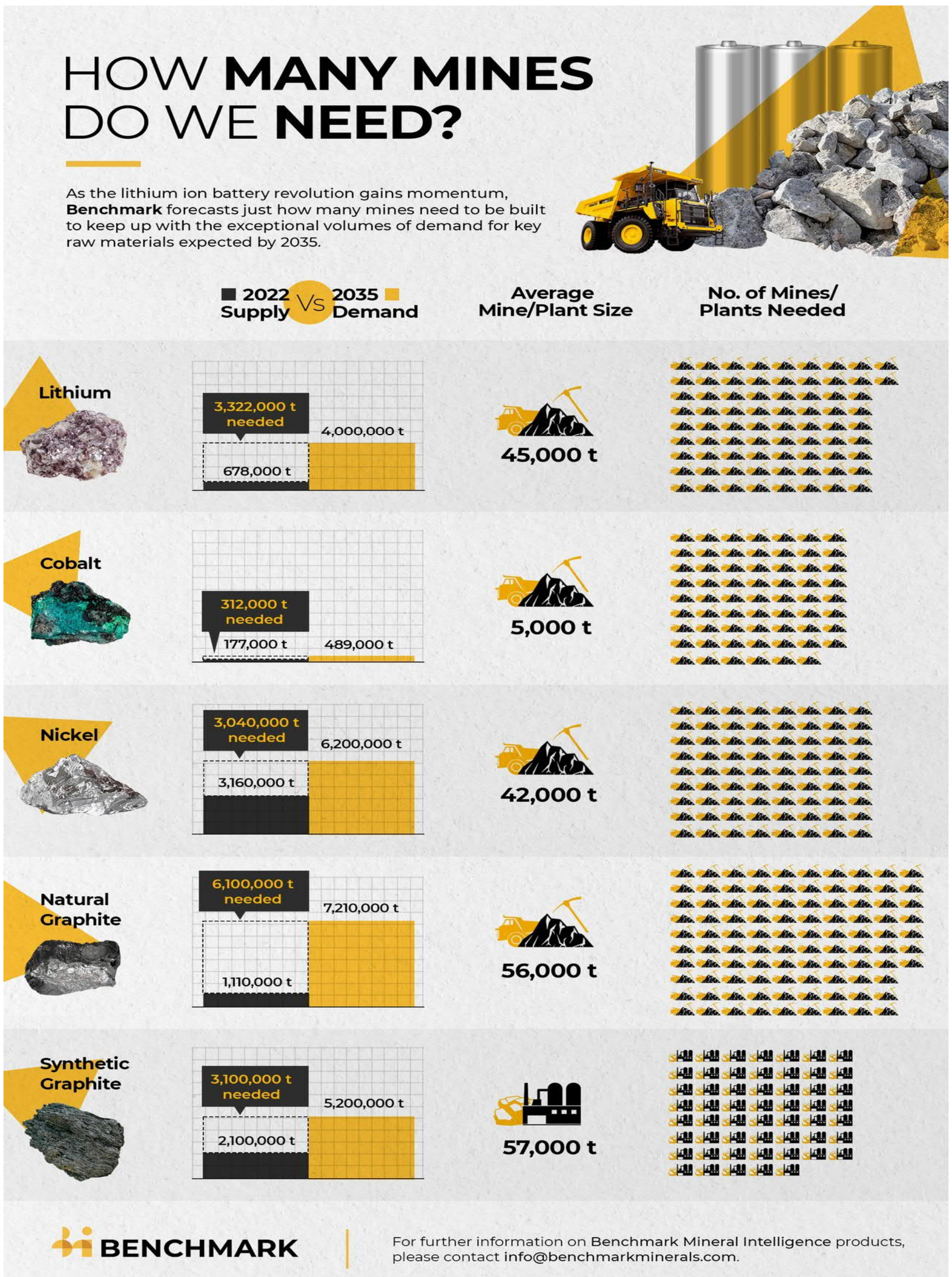
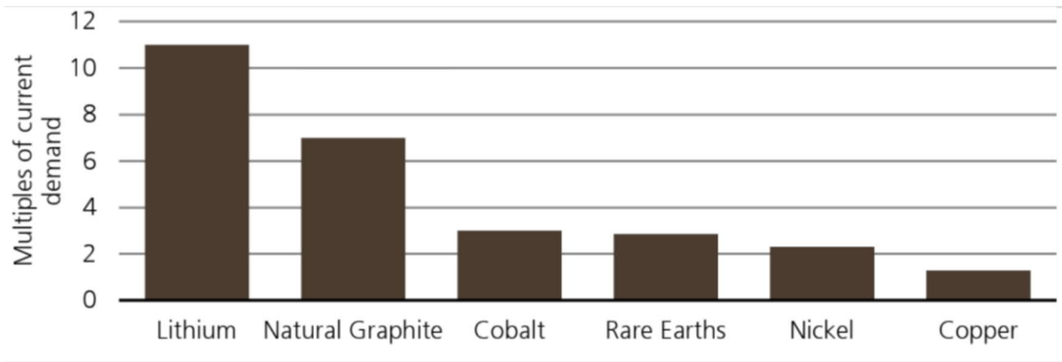


Fig.: Benchmark Forecast of Mine Development required by 2035 for Battery Minerals

In their 2021 battery materials report, UBS projected a 7x growth in natural flake graphite demand growth, primarily from EV penetration, by 2030 to 5.9 million tons:



Source: UBSe.

In 2021 also, the World Bank further estimates that up to 500% increase in production of high impact minerals including graphite by 2050. This year the United States' battery capacity pipeline surpassed Europe with Benchmark Minerals Intelligence reporting a total of 436 gigawatt hours (GWh) of battery capacity being added to the US pipeline since the Inflation Reduction Act was passed, a jump of 57.9%, according to Benchmark's Gigafactory Assessment. The USA's battery capacity pipeline to 2031 now sits at 1,190 GWh as of June 2023. In comparison, Europe's battery capacity pipeline has increased only 3%, or 35 GWh, over the same period. Other nations like USA, India, Japan, Australia, Canada, and EU members, have seen multiple companies announcing cell manufacturing and downstream processing plans and incentives for Critical Mineral processing and cathode and anode manufacturing. As the sales of EVs continues to grow strongly even through tough economic times, the forthcoming demand for its critical components like graphite appears to remain very strong.

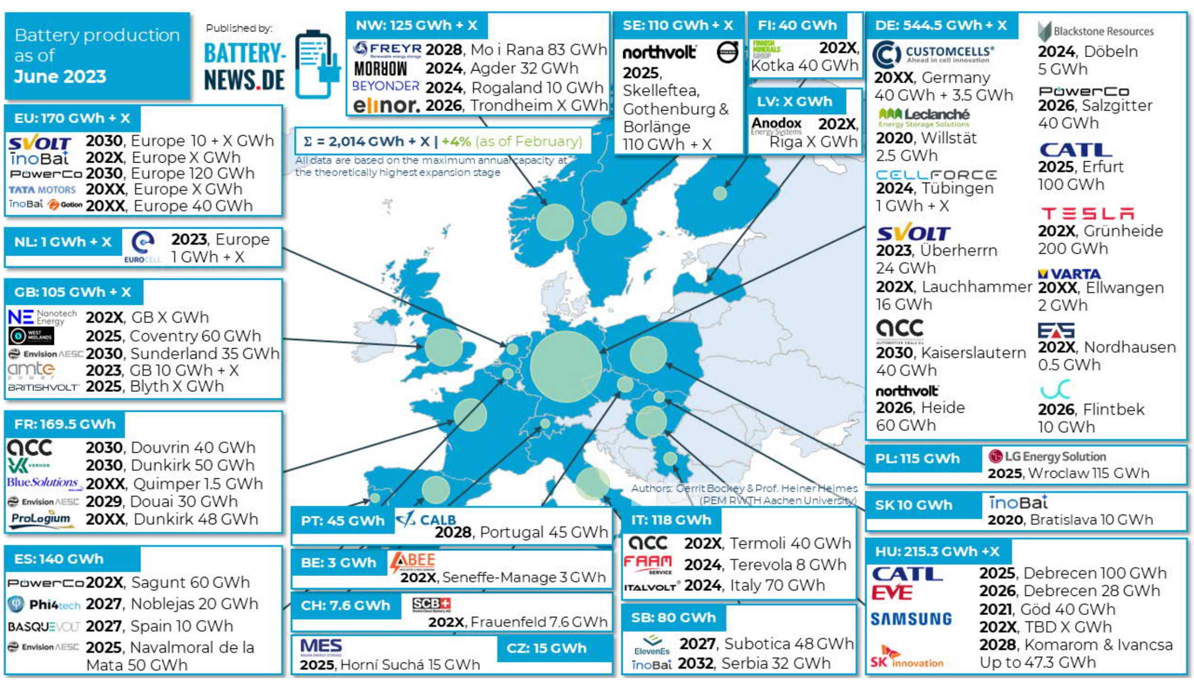


Fig.: Planned Gigafactories across EU & UK as of June 2023(Source: Battery-news.de)

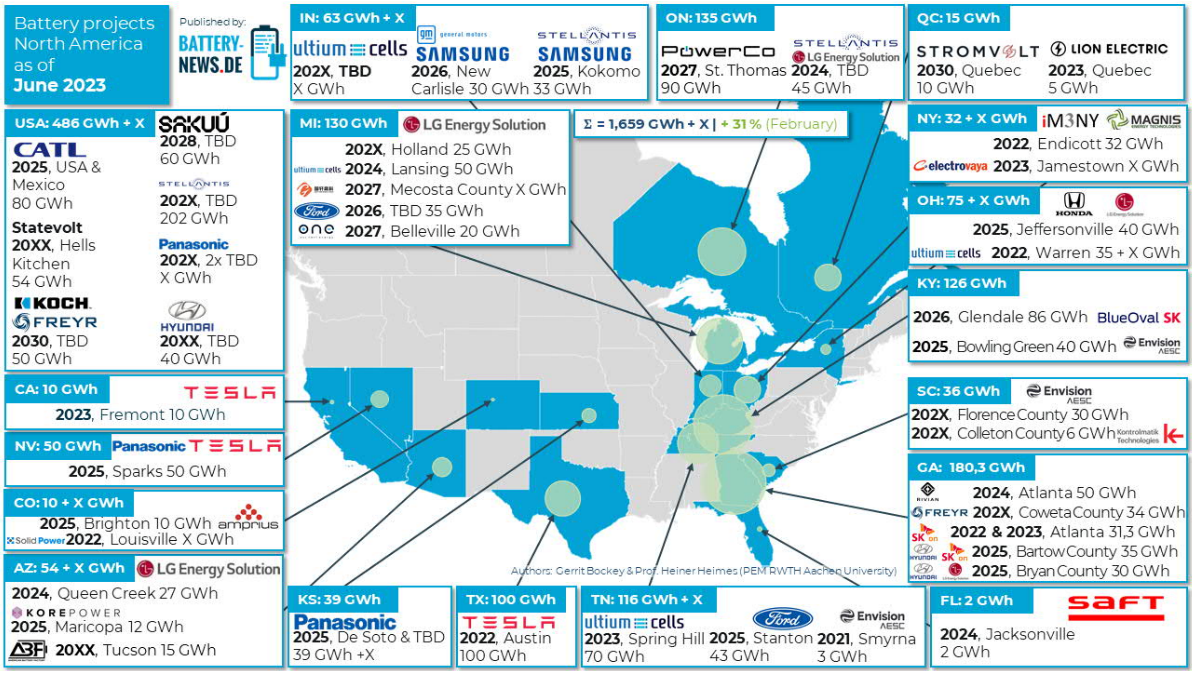


Fig.: Planned Gigafactories across US & Canada as of June 2023(Source: Battery-news.de)

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. Sustainability awareness and importance in the eyes of consumers is also boosting investment in jurisdictions and companies that champion value and technologies that reduce waste and carbon emissions and have strong social and governance approaches. The Company has received increasing numbers of inbound inquiries from European & USA based end users who have recognised the strides the company is taking in this area.

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, and prices have proven fairly resilient in light of the global economic situation for these applications.

In conclusion, being the critical mineral it is, flake graphite's markets are poised to grow multiple times as the market demand and market continues to mature for growing applications and end-uses.

C. CAPITAL MARKETS ENGAGEMENT

The year under review was the second 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 continued its 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 2022 to 31 March 2023 is tabulated below:

Sl No	Date	RNS No	Summary
1	01/04/2022	9407G	Tirupati Presents Case for support to UK Downstream Graphite Business in Houses of Parliament
2	28/04/2022	6095J	Transaction Update - Variation of Long Stop Date for Suni Resources SA Acquisition
3	24/05/2022	5210M	Directorate Change
4	22/06/2022	7132P	Operational Update
5	11/07/2022	9305R	Transaction update on the proposed acquisition of Tirupati Speciality Graphite Private Limited ("TSG") under the agreement entered into on 10 October 2018 (the "SPA")
6	18/07/2022	7526S	Investor Meet Q&A Session
7	21/07/2022	2179T	Update on Madagascar Operations Addressing Operational Challenges and Moving Closer to our target of Net-Zero Emissions
8	29/07/2022	1562U	Transaction Update - Variation of Long Stop Date for Suni Resources SA Acquisition

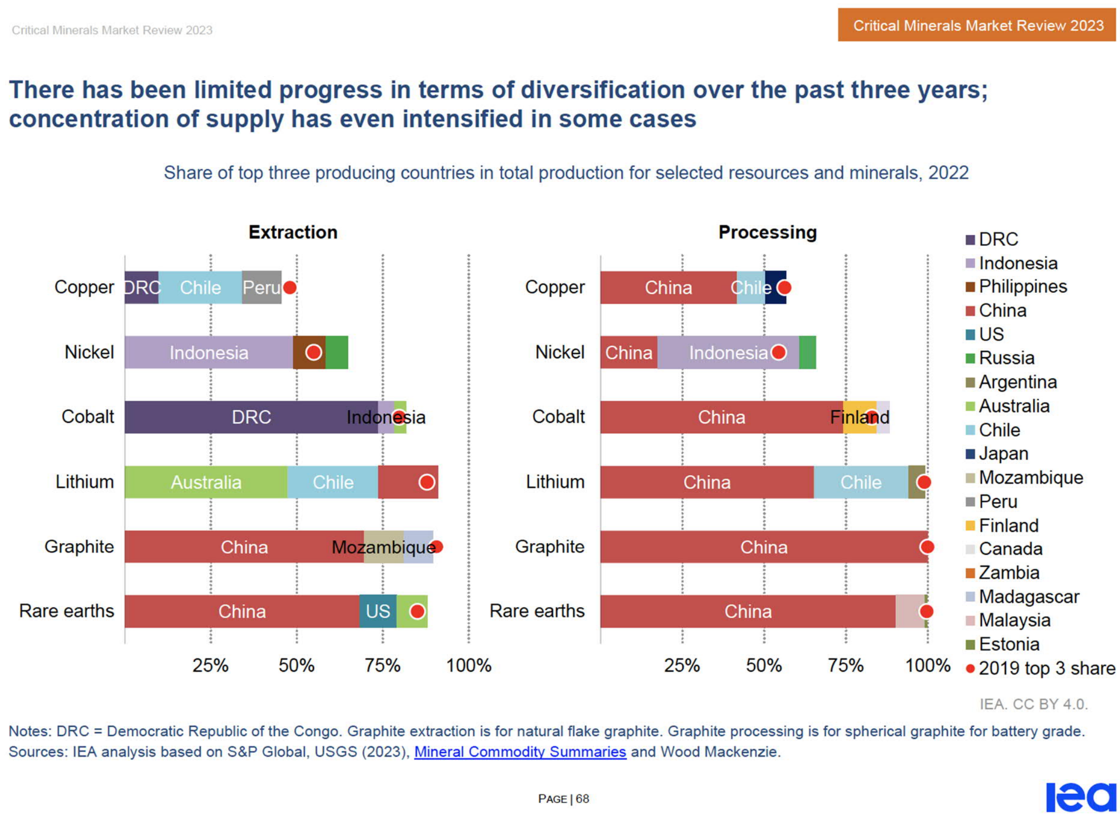
9	01/08/2022	3463U	Chief Financial Officer Appointment, Planned Board Developments and Notice of Results
10	08/08/2022	2196V	Convertible Loan note - £1,500,000 as first tranche of £3,000,000.
11	15/08/2022	9369V	Vatomina Preconcentrate & Infrastructure Update
12	30/08/2022	5523X	Transaction Update - Variation of Long Stop Date of Suni Resources SA Acquisition
13	08/09/2022	6922Y	Agreement to Acquire Additional Permits in Madagascar
14	12/09/2022	0720Z	Rescheduling Full Year Results
15	23/09/2022	3522A	Operations and Development Update
16	30/09/2022	3503B	Proposed Acquisition of Suni Resources SA variations to acquisition agreement
17	30/09/2022	4088B	Final Results
18	04/10/2022	6356B	Conversion of Loan Notes & Total Voting Rights
19	07/10/2022	0946C	Investor Meet Q&A Session
20	07/10/2022	0947C	Notice of AGM
21	28/10/2022	5244E	Annual General Meeting Statement and Result

22	24/11/2022	4214H	Operations and Development Update
23	25/11/2022	5684H	Appointment of Non-Executive Director
24	05/12/2022	5214I	Successful £5 million fundraise & variation to SPA OF Suni Resource SA acquisition
25	05/12/2022	5865I	Notification of Major Holdings
26	19/12/2022	0772K	Update regarding Acquisition of Suni Resources SA
27	28/12/2022	1096L	Extension of Warrants
28	29/12/2022	1153L	Unaudited Half-Yearly Results
29	20/02/2023	3524Q	TG Commences Production at 18,000tpa Plant at Sahamamy

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 Company has also kept shareholders updated on latest developments and media on social media channels via LinkedIn, Company email Newsletter and Twitter on a regular basis, providing a medium to engage. All emails received from shareholders have also been proactively answered by the senior management of the Company so far as has been practical.

The Company has maintained 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 is likely to join more such bodies as its activities continue to grow and commercial avenues develop and grow.

The growing awareness and consciousness of global dependence on Critical Minerals on certain countries continued to surface from inter-governmental international bodies as can be seen from the table below released by The International Energy Agency ("IEA") and depicting the mining and refining of the Critical Mineral:



Thus, offering an alternative supply chain for natural graphite products outside of China has become a recognised and significant pillar of the Company's business model. In line with the opportunities, the Company continued to implement its strategy to increase production capacity from its current projects in Madagascar. Simultaneously, post year end, the Company completed the acquisition of the advanced stage flake graphite projects in Mozambique and evolved its aim to establish graphite production capacities of up to 8% of global demand by 2030 and be a stable and dependable source of supply to the energy transition economy.

During the period the Company's downstream strategy planned by way of acquisition of TSG was under continuous review and evaluation in relation to the options that the Company may exercise in view of regulatory bottlenecks in execution of the agreement in its original form. In the meantime, the Company focussed on the completion of the acquisition of primary assets in Mozambique and achieving establishment of its 30,000tpa flake graphite production capacity in Madagascar which the Company is currently optimising to 75% -80% capacity utilisation level, to be followed by reaching 100% by assessing and filling any gaps that may be required as discussed earlier. At this level the Company expects to be in a position to earn and build cash reserves allowing for reinvestment cash into organic growth. We are happy to report that achieving this as the main priority during the period, the Company is on a better and stronger foothold from which to pursue its downstream strategy, extend its potential product offering, and market itself and its products better by demonstrating itself to be a reliable and successful supplier of scale to industry and the wider market.

The above has provided the Company a significant advantage over many peers in the Graphite space outside China. The Company now has two producing projects in Madagascar, and two advanced development-stage Montepuez and

Balama Central projects in Mozambique, construction is initiated in Montepuez with studies underway to enhance its economics as announced following the reporting period end.

D. MADAGASCAR PRIMARY GRAPHITE PROJECTS

The Company owns and operates the Vatomina and Sahamamy flake graphite projects in Madagascar via its subsidiaries. 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 has successfully completed construction and commissioning of two production and processing facilities across both its Madagascar projects, increasing its production capacity to 10X from when it listed. The Company commenced production from its latest 18,000tpa flake graphite plant at Sahamamy in February 2023, and has been ramping up its production and sales. Over the period of c. two years during which the Company developed its two projects to the current levels, the Company continued to evolve its plans and took various decisions being dynamic in approach. Some of the significant decisions taken by the Company include:

- Splitting its process plant into Pre-Concentrate Units ('PCU') located at mining pit heads and Final Concentrate Units ('FCU') located in non-mineralised zone at the first Vatomina module that was set up with a planned capacity of 9,000tpa thus minimising the haulage of mined graphite ore;
- To counteract the lower grade of ore at Vatomina (2.5 to 3% as against +4%), buildout of a second PCU, which was commissioned in December 2022. Accordingly, the Company re-rated Vatomina to a 12,000tpa capacity with 2 PCU's as against 9,000tpa with one considering lower grade;
- The under construction 18,000 tpa Sahamamy plant was also redesigned to split the PCU's and FCU, with two PCUs being installed at the mining pit head and the FCU remaining at the original planned location;
- The Company also decided to decommission the 3,000tpa proof of concept plant in Sahamamy, and has been successful in substantially using the plant and equipment in the construction of the larger capacity facilities.
- The construction of the Sahamamy plant was completed in Q4 FY23 and the plant commissioned.

With these reorganised developments being achieved during FY23, while the combined rated capacity now stands at 30,000tpa, the Company is optimising its output to a first target of 75%-80% of the rated capacity while it continues to assess any additional gaps that may be required to be filled to ensure minimised plant downtime and bring the operation capacity to 100%. These include additional arrangements for standby power generation, water resource management and optimisation, building additional PCU's which pose a bigger risk of downtime. It is pertinent to note that the achievement of the developments completed has made the Company a standout operation as one of the very few producers of scale globally outside of China. The Company innovated on its flowsheet to mitigate weather risk and improve efficiencies. The Company remained in the operations and development mode while also progressing commercial objectives during the year in line with our stated strategy.

To summarise, the major developments across the Company's Madagascan projects across FY23 are detailed below:

Timeline	Category	Activity
April - June '22	Mining, Production & Renewable Energy	Start-up and debottlenecking of Vatomina plant, Installation of Column Floatation System, Work started for head grade improvement at Vatomina, Construction of Sahamamy 18ktpa plant, Installation of 100Kw hydropower plant, Continued operations of 3ktpa Sahamamy plant.
	Infrastructure	Additional land surface rights acquisition to secure land bank in areas of newly discovered mineralisation, Road infrastructure development to combat adverse weather conditions conceptualised, Quality analysis & control systems enhanced by adding XRF, microscopes etc, improving standards and for catering to highest end customers,

		Addition of bull dozers & area graders for improving earthmoving and mining fleet given adverse weather conditions.
	Exploration	Exploration activities continued with new discoveries made within permit areas, Drilling activities continued in Vatomina; a second drill rig was bought to continue drilling in Sahamamy, Exploration activities continue under the supervision of SRK Consulting.
April - June '22 (cont.)	External Challenges	Adverse weather conditions experienced at projects. Cost inflation in inputs like steel, petroleum, natural gas and freight costs.
July - Sept '22	Mining, Production & Renewable Energy	Conceptualised, designed and initiated building of pre-concentrate units to mitigate impacts of possible future adverse weather conditions on mining and processing activities. Vatomina plant modifications for preconcentrate started in July, construction and relocation for pre-concentrate units completed and plant recommissioned in August. Assessment for increasing Vatomina plant capacity to 12ktpa initiated and execution commenced. The first pre-concentrate at Vatomina was stabilised to nameplate capacity in September followed by start of construction of 2nd preconcentrate. Mining head grade improvements started. Sahamamy 18ktpa plant final construction continued (redesigned to have 2 pre-concentrate units and 1 final processing plant). Hydropower plant commissioning started, work for trials for first electricity initiated. Pre-feasibility for the next hydropower plant of 400Kw at Sahamamy was initiated.
	Infrastructure	Continued upgrade development of internal roads and connectivity between projects to increase infrastructure resilience against adverse weather.
	Exploration	Entered into a agreement to acquire 3 additional permits covering 31.25 km2 area in the vicinity of the Company's existing licences, providing the potential to add 2-3 more 18k modules as per the Company's assessments. A consideration of GBP 167k was agreed to be paid at milestones of completion of acquisition.

Oct - Dec '22	Mining, Production & Renewable Energy	Second pre-concentrate at Vatomina commissioned for establishing 12ktpa production capacity. Sahamamy 3ktpa plant decommissioned. Extensive mine development at Sahamamy for feeding 18ktpa plant. Construction and installations at 2 preconcentrate plants in Sahamamy completed with trials and commissioning initiated. Construction and installations at the main processing plant were substantially completed.
	Infrastructure	Completed roads and other infrastructure development to mitigate adverse weather-related risks including 40 km road connecting the projects. Port infrastructure improvements for facilitating shipments of larger quantities of finished product. Enhanced infrastructure at both projects including upgraded engineering centre, skill training, CSR initiatives.
Dec - March '23	Mining, Production & Renewable Energy	10 day pause in operations as a Personal Safety precaution during Cyclone Cheneso - Zero injuries to Company personnel and zero damage to Company property. Infrastructure built by the Company earlier in the period proved resilient with no significant impacts sustained to operations. Commissioning, installations and trials at Sahamamy 18ktpa plant completed in February 2023 due to delays in final set of shipment to plant and cyclone related disruptions. Commercial production commenced including 2 pre-concentrate units, 1 final processing plant. Mining activities ramped up simultaneously at Sahamamy. 100Kw hydropower plant flow corrections initiated in coordination with engineering and consulting teams.
	Infrastructure	Sahamamy 18ktpa plant and additional ancillary facilities including (but not limited to) laboratories, residential facilities, stores, offices, processing plant water and tailings management facilities.

Having borne the disruption caused by adverse weather in Q1 & Q2 of Calendar year 2022, the Company did extremely well in recovering and developing mitigation measures to prevent similar future disruptions to the same extent. As a result, the outcome of the first half production and sales were less than the company had planned as it prioritised implementing its mitigation measures and innovative production techniques. In the second half of the year these efforts began to bear fruit and operational performance improved significantly. As demonstrated in the table below for the year 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 expected due to adverse conditions and related headwinds, the performance at operations level saw significant improvements as is detailed in the table below:

Key Financial operating results from Madagascar Primary Operations for 1 April 2022 to 31 March 2023

Particulars	Units	FY 2022-23	FY 2021-22	YoY Change
Total Production	MT	4,770	2,996	+59%
Mining & Processing costs	£	1,512,563	935,604	+62%
Human Resources costs	£	326,783	378,671	-14%
Logistics utilities & plant admin costs	£	368,061	308,278	+19%
(Increase) / Decrease in inventory of inputs	£	(676,058)	(485,357)	+39%
Total Costs of Production for units sold (Excl. Depreciation)	£	1,531,349	1,137,196	+35%
Cost per MT of Production	£	321	380	-15%
Total Sales Volume	MT	3,982	2,663	+50%
Total Revenues	£	2,890,010	1,645,308	+76%
Average Selling price per MT of Production	US$ / £ per MT	875 / 726	841 / 618	+17%
Gross Profit before Depreciation	£	1,358,661	508,112	+167%
Gross Margin on Sales	%	47%	31%	+52%

In brief, the key takeaways from the operating results can be summarised below:

- Total Production during the year increased by 59% and sales volume increased by 50% over the previous year;
- Total Revenues increased by 76% over the previous year in GBP terms;
- Realised Average Selling price per MT of graphite sold increased materially by 17% in GBP terms and 4% in dollar terms;
- The operating margins for the year grew from 31% in the previous year to 47% even with increased costs of inputs like steel, gasoline and freight

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

1. Sahamamy operations and development:

The 3,000tpa maiden 'proof of concept plant' at Sahamamy Project was decommissioned in December 2022 following stabilisation of production in Vatomina, and the 18,000tpa facilities were brought online in February 2023, and first sales shipped from the new plant in March 2023. It was the proof of concept plant that has allowed the Company to learn quickly about issues that would be faced and allowed for them to be overcome as quickly as they have for the larger capacities the Company has since developed. It has allowed the Company to establish in-house technology and methods producing low-cost outcomes in the production of sellable graphite. This is of major benefit to the modular approach the Company has chosen to take, allowing all of the in-house developed innovations to be taken forward with the next production plants according to the Company's stated strategy, and likely means less time will be spent overcoming bottlenecks during future construction and commissioning phases. 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.

The total investments for development of the Sahamamy project until 31 March 2023 was as below:

Sahamamy Project total cumulative investment up to 31 March 2023

Head of CAPEX	Investment (£) Up to 31.03.2021	Investment (£) During 01.04.2021 to 31.03.2022	Investment (£) During 01.04.2022 to 31.03.2023*	Reclassified (£) During 01.04.2022 to 31.03.2023*	Total Investment (£) As at 31.03.2023
Plant & machinery	830,981	1,684,351	2,549,084	1,787,038	6,851,454
Infrastructure & Furniture	202,527	482,498	208,060	-	893,085
Asset Under construction	-	632,029	1,381,643	(1,787,038)	226,634
Total	1,033,508	2,798,878	4,138,787	-	7,971,173

*This does not include impact of Forex translation

The development of Sahamamy 18,000 tpa plant was completed in the period, commissioning of the 100KW hydro power plant was done during the period and due to technical glitches, it was re-engineered and re-commissioned post year end, and plant was operational and all road infrastructure and bridge construction works were substantially completed during the period. The Company started first production from Sahamamy new facilities in Q4 FY23 and ramp up to first target 80% capacity utilisation continues.

2. Vatomina Operations & Development

The construction of the second and final preconcentrate plant at Vatomina was completed in November 2022 and operated until the end of the period seamlessly. The company aimed to further enhance the economics of the project using extension deposits of the operating pit to improve the average head grade to over 3.5% in order to reach the nameplate capacity of 12,000tpa.

During the period further work also meant:

- A previous requirement for the transport of ore to the plant has been replaced by the pumping of c.17,000 tons per annum of 'pre concentrate' from two PCU's in slurry form to the main processing plant, eliminating reliance on roads and ore transport vehicles.
- A reduction in consumption of diesel for ore transportation, of c.100,000 litres annually is estimated to accrue as Vatomina plant reaches its rated capacity;
- A reduction in other costs related to the operation of the ore transport fleet estimated to be equivalent to the cost of diesel consumption saved;
- Elimination of the necessity for building a high-cost metalled road from the mine areas to the main processing plant; and

- The possibility to enhance capacity of the Vatomina current facility to 18,000 tons per annum by installation of a second preconcentrate plant with limited additions in the mining fleet and main processing plant, which the Company is currently assessing.

Final development and installation 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 2023

Head of CAPEX	Investment (£) Up to 31.03.2021	Investment (£) During 01.04.2021 to 31.03.2022	Investment (£) During 01.04.2022 to 31.03.2023 *	Reclassified (£) During 01.04.2022 to 31.03.2023 *	Total Investment (£) As at 31.03.2023
Plant & machinery	1,169,623	2,093,455	209,034	-	3,472,112
Infrastructure & Furniture	139,737	1,180,062	727,283	512,962	2,560,044
Asset under construction	915,111	(915,111)	512,962	(512,962)	-
Total Investment	2,224,471	2,358,406	1,449,279	-	6,032,156

*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 12,000tpa Vatomina plant being a 4X 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. 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.

During the current financial year, the Company continued to execute its strategy to mitigate its projects from adverse climatic conditions and to also save fuel and transportation costs. This has been achieved by splitting its process flow sheets into preconcentrate and final concentrate units. The preconcentrate unit generates a concentrate slurry containing c.70% graphite (dry solids basis) thus it eliminates up to 95% of impurities from the ore feed into the plant in the form of by product sand and 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. The Company has worked on opening further adjoining mine areas to increase head grade and other options to secure output from Vatomina to planned levels.

3. Hydropower and Renewable Energy Strategy

The first power generation from the 100Kw hydro power plant ('HPP') was achieved during November 2022, however, the plant could not be commissioned into commercial use of power until June 2023 owing to technical glitches which were rectified and desired power generation levels were achieved post the reporting period. Installation of an c.800 metre power evacuation line from the turbine house to the processing plant was also completed during the period ready for power transmission. Site visits by the equipment suppliers during the period allowed for Integration and commissioning of the power supply source. Commercial use began and related cost savings were witnessed from December.

Now operational, the HPP is expected to reduce significant diesel consumption, associated costs, and emissions per annum.
At Sahamamy, the Company also completed pre-feasibility studies during the period to progress the next 400Kw hydropower generation prospects at and continued to expedite this objective in line with the Company's Sustainability goals as conveyed in regulatory news updates. Post the initial studies, the hydropower plant consultants completed a visit on site to develop detailed plans and initiate designing and cost analysis for this next plant. Detailed designing, engineering and further studies have been commissioned by the Company.

This would potentially provide for a 100% renewable, decarbonised, and cheaper, energy source for the Sahamamy project at its current scale and additional planned capacities, with diesel generators held in reserve.

At Vatomina, studies are underway for further hydropower prospects identified for c. 400-500Kw capacity.

Additionally, the prospect of 300Kw of rooftop solar across the facility rooftops has been identified and studies have started following the end of the reporting period.

These efforts are to cement Tirupati Graphite's reputation as a Sustainable supplier of natural graphite, reduce our overall environmental impact, and reassure customers of the advantages of using such sustainably produced Graphite as part of their supply chain. These measures are also expected to reduce the long-term energy costs across the Madagascar projects.

The Company has also noted the progress of the nearby National hydropower project at Volobe. Once completed, the Volobe hydropower plant will increase Madagascar's energy generation by c.20% and will provide a significant extra source and proportion of renewable energy for electricity generation across the country.

4. Drilling and Exploration

The second phase of exploration activities which were initiated in February 2021 continued during the year across the two projects. These activities have taken place under the supervision of the specialists, SRK Consulting, and have taken longer than planned because of the disruption in early 2022 by adverse weather and subsequent priority actions that took place to ramp up to the 30,000tpa rated capacities.

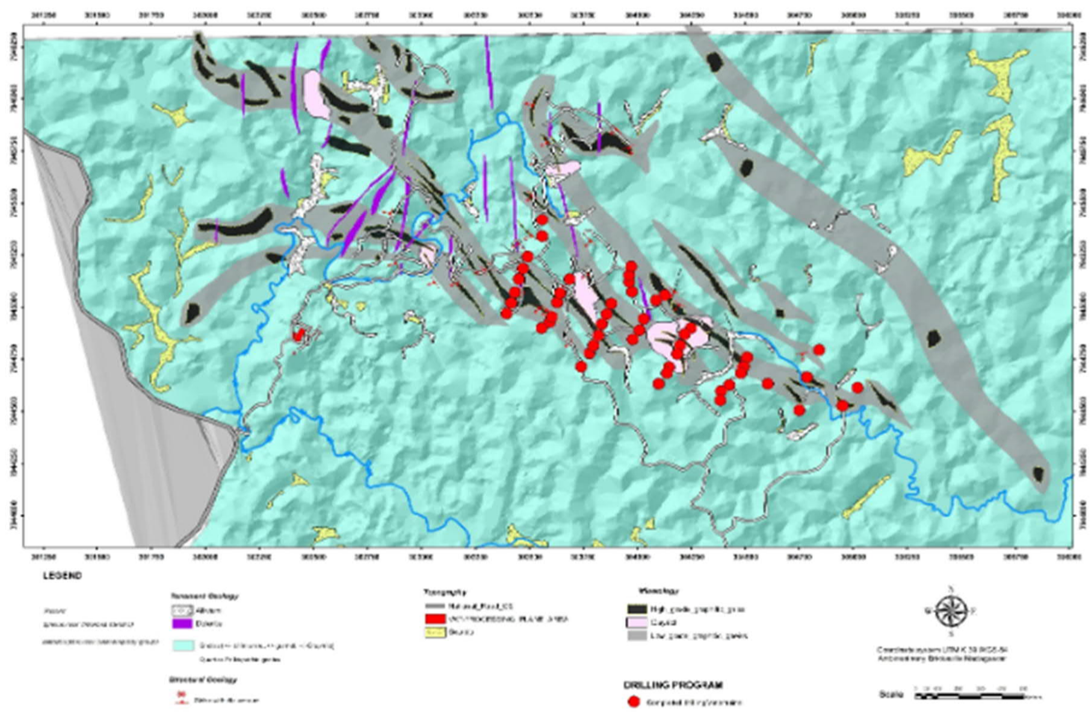
The previously owned diamond core drill rig remained deployed in Vatomina during the year. With progress of core and augur drilling during the year, the total planned core drilling across the two projects was increased from earlier estimated 5,000 metres to c.10,000 metres in light of new mineralised areas identified.

Considering the increased drilling campaign, the Company preferred to acquire a second drilling machine for Sahamamy, which was commissioned in the previous period which has continued to be used in this drilling and exploration campaign during this reporting period.

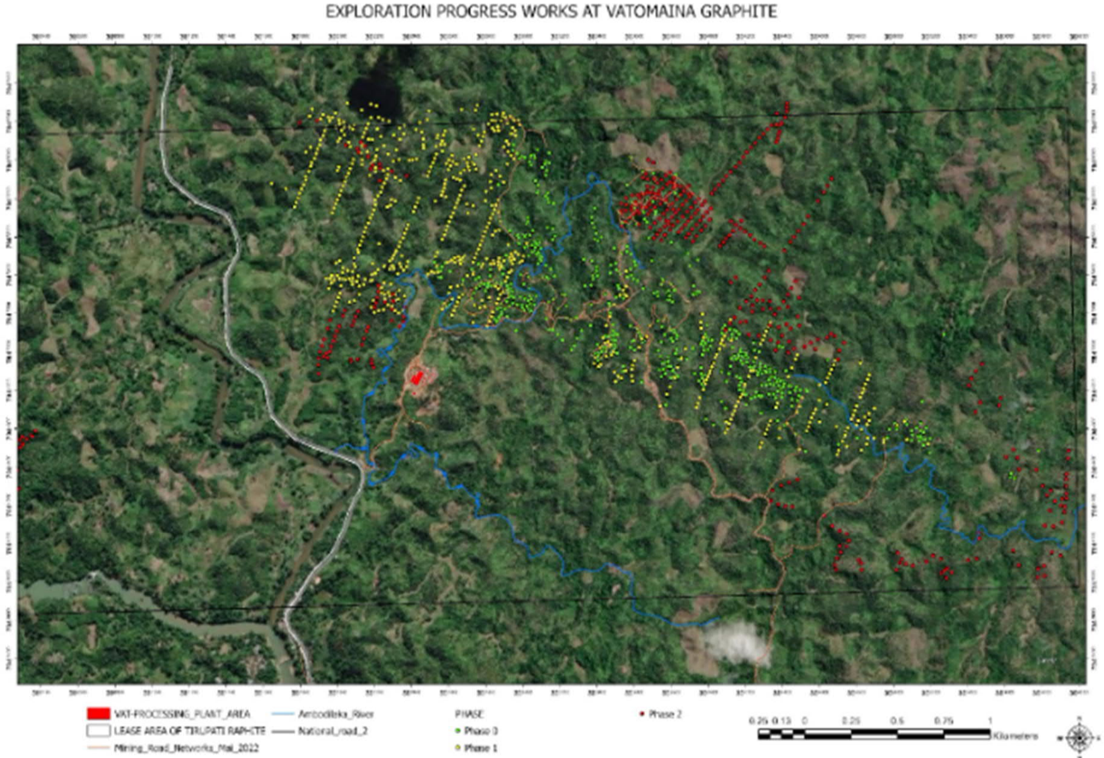
At Vatomina, pre-mining drilling was conducted by the in-house team during the period over 988 metres across 25 drill holes. Further drilling to optimise the resource at Vatomina is planned by SRK.

Hand auger drilling was also completed as part of further prospecting of the eastern area of the Vatomina project by the TG team across 4,392 metres. Trenching work was also carried out by the team at Vatomina over 125 metres east of RN2.

COMPLETED DRILLING



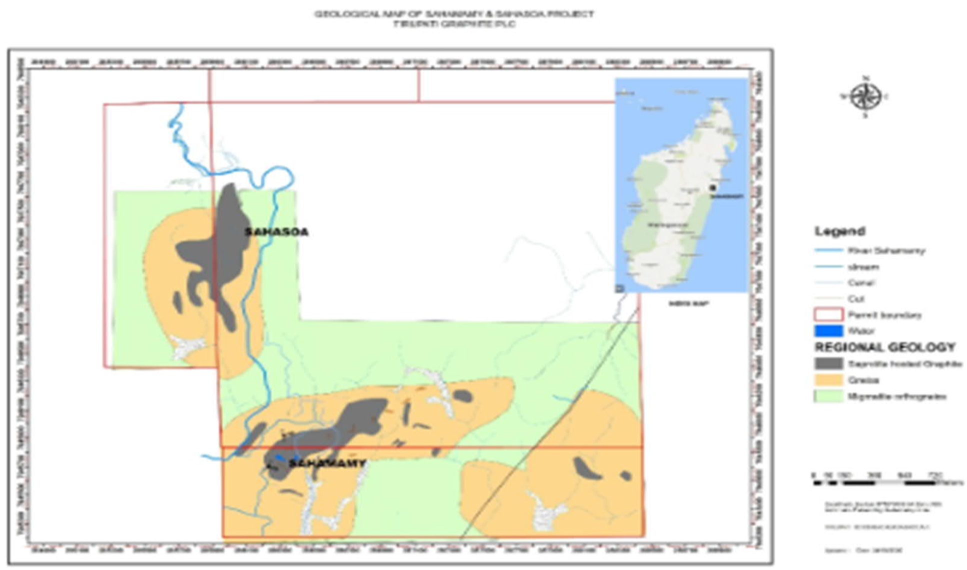
EXPLORATION PROGRESS WORKS AT VATOMAINA GRAPHITE

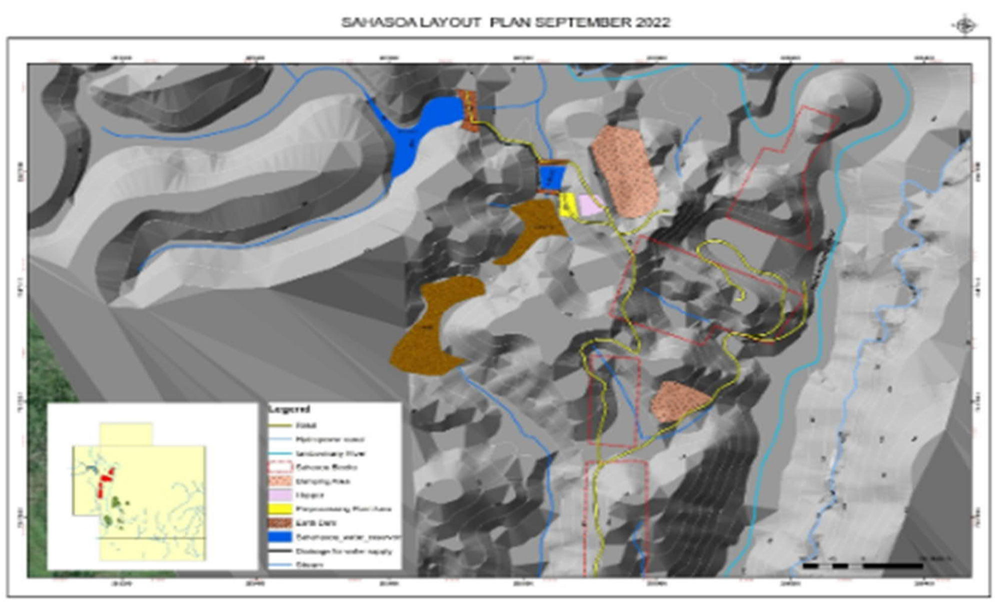


At the extension Sahasoa, c. 500 metres north of Sahamamy, trenching work has been completed involving 7 auger drills across a combined distance of 168 metres by the in-house team to examine lateral extensions. During the year geophysical and resource diamond drill holes were also planned at Sahasoa by SRK with over 600 metres of drilling completed as part of a larger 4,000 metre campaign.

Prospecting trenching also took place at the Potamintina deposit at Sahamamy to initiate extension drilling preparations for larger scale mining. At Potamintina, 2,134 metres of projection mapping using hand auger drills was also completed during the period.

Prospect mapping was also carried out by the in-house team with 2,234 metres drilled at the Safary prospect at Sahamamy.





The ongoing work is to continue to build confidence in the resource across the Madagascar projects and to extend areas for future mining which the Company will provide an update on when the current campaigns are completed and sample collection is finished and analysed.

5. 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.
- Newly opened pits across the two projects over FY23 to feed the growing production capacities have been planned and executed with the same principles. Restoration of wastelands around these pits has been adopted for mining overburden disposal.

Adoption of pre-concentrate units strategy at the mining pit head has also helped in restoration works and reduced emissions from these activities.

The Company has had no requirements of rehabilitating people from within its mining permit areas within FY23. The Company has also appointed a government accredited independent in-country consultant in Madagascar to assess and produce an annual report on its environmental and restoration works.

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. Further details on restoration activities, emissions and social works will be covered in the Sustainability Report.

6. Operational Risk Mitigation & Processing Flowsheet Technology Upgrades

The Company faced challenges to operations during FY23 due to adverse weather conditions like multiple cyclones in Madagascar. These challenges were identified as below:

a. Road Infrastructure risk:

Adverse weather could damage roads and storm residue could prevent the free flow of people and goods. Furthermore, certain road areas needed upgrading to support larger and more regular vehicle traffic as operations have scaled up.

- Road Infrastructure risk mitigation work completed:

A c.5km road improvement programme covering identified failure points was designed and completed by the operational team. As part of the efforts to maintain road integrity consistently and successfully an area grader and bull dozers have been added to the fleet of mining and earthmoving equipment to enhance and maintain the road network. The road improvement programme has included road-widening, upgraded maintenance and improved drainage work.

By re-organising the processing flowsheet into two parts the Company has successfully reduced total transportation requirements across the projects via the setup of pre-concentrate units at pit heads, followed by final processing in the plant area. The Company has deployed an in-house designed pre-concentrate slurry pump system to pump slurry from pit heads to the main plant for the final stage of purification. The pre-concentrate units at the pit heads have been designed as 'plug and play' type facilities which can be shifted from one pit head to another as needed. This will eliminate the movement of ore from pit head to processing plant by road and insulate the operations from weather related challenges. The previous requirement for the transport of ore per annum to the plant has been replaced by the pumping of 'pre concentrate' in slurry form to the main processing plant, eliminating reliance on roads and ore transport vehicles and reducing transportation volumes by up to 95%, which is also now done by pipeline systems.

Lastly, the new road connecting Sahamamy project to National Highway 2 and Vatomina project has been strengthened throughout the nearly 40 kilometres of road enhancing transportation of people and goods, reducing potential delays, and avoiding the costs such delays would have incurred previously.

b. Freshwater availability risk:

One of the most severe consequences of adverse weather has been the impact on access to fresh water for use by local communities and at the project.

There is also a risk of contamination from the projects' tailing storage facilities and contamination from the Final Concentration Units ("FCU").

- Freshwater availability risk mitigation work completed:

The Company drilled and established a number of bore wells for the communities around its projects, ensuring greater access to safe and clean drinking water through provision of various sources and monitoring of storage and production facility integrity to detect and remedy any leakage that may occur.

c. Head grade variation risk:

The targeted project head grade TGC in Madagascar is c.4% which varied during the period.

- Head grade variation risk mitigation ongoing:

The Company has commenced mining of extension deposits at each of the Madagascar projects.

d. Higher end-product grade risk:

There is demand from customers for higher grade, specialist flake products that the Company can produce and sell. This requires consistent production performance from the Company to meet market demand.

- Higher end-product grade risk mitigation:

Over the period the Company has successfully stabilised production of material to order that includes products of up to 96-97% purity from its Madagascar projects and commenced sales to Europe of the higher grades. It has achieved this through the installation of its proprietary in-house designed Column Flotation System and by refining its processing technique at its installed production plants at its projects.

Furthermore, to meet the expectations of our customers and to ensure advanced analytics and quality control is possible to ensure the Company meets customer product demands, the analytical lab facilities have been enhanced with installation of more microscopes and X-ray fluorescence spectroscopy (XRF).

e. Processing Flowsheet technology & upgrades

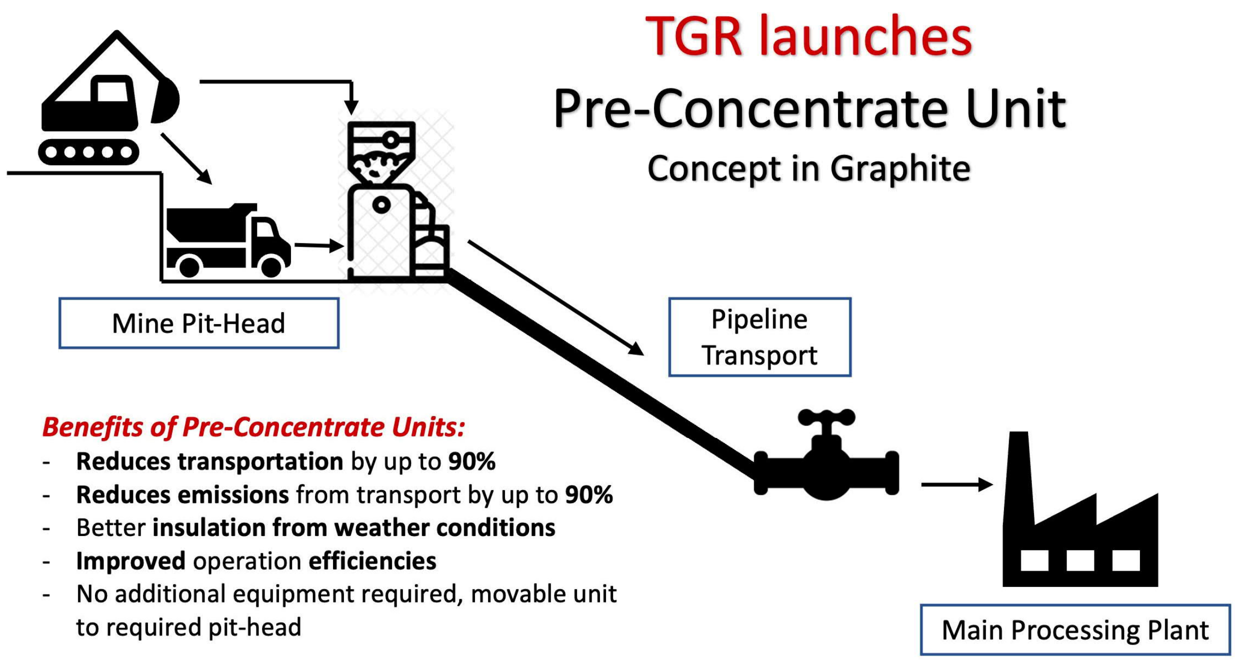
The Company has divided its processing flow sheet into two parts. The first leg of processing, which removes c.95% of impurities from the ore, now takes place at the mine pit heads with small plants referred to as 'pre-concentrate' units.

The 'pre-concentrate' slurry produced is pumped to the main plant for the final leg of purification, upgrading it into a finished product with up to 97% purity depending on customer demand specifications.

The pre-concentrate units have been designed as 'plug and play' type facilities with the intention they will be shifted from one pit head to another as and when needed, enhancing mine development and efficiency, reducing the need for vehicular transportation and reducing associated risks posed by adverse weather.

This will eliminate the movement of ore from pit head to processing plant by road and insulate the operations from weather related challenges while also significantly reducing the emissions from the mining fleet. The mining fleet can be deployed more productively to extract higher quantities of ore, increasing the mining capacity without addition of additional mining equipment.

Furthermore, the reduced transportation requirement will also reduce emissions from operations including mining activities, supporting Tirupati's target to reach net-zero in both processing and mining. This is in line with the Company's aim to become the first net-zero emissions and zero-waste producer of flake graphite. A pictorial display of the arrangements implemented is given below:


TGR launches
Pre-Concentrate Unit
Concept in Graphite
Mine Pit-Head
Pipeline Transport
Main Processing Plant
Benefits of Pre-Concentrate Units:
- Reduces transportation by up to 90%
- Reduces emissions from transport by up to 90%
- Better insulation from weather conditions
- Improved operation efficiencies
- No additional equipment required, movable unit to required pit-head

7. Snapshot of Consolidated Income Statement

Summary of the Group's consolidated income statement for the year ended 31 March 2023 is as follows:

	2023	2022	YOY Change	Commentary
	GBP	GBP	%	
Revenues	2,890,010	1,645,308	76%	Revenues grew by 76% due to increased production and sales
Cost of Sales	(1,531,349)	(1,137,196)	35%	Cost of Sales grew at much lesser rate than revenue due to operational efficiencies
Gross Profit (Excl. Dep)	1,358,661	508,112	167%	Resulted in Gross Profit increase by 167%
Less Administrative Expenses	*(2,197,703)*	*(1,774,581)*	24%	Admin expenses increased due to increased corporate expenses, team strength and fund raise costs
EBITDA	(839,042)	(1,266,469)	(34%)	Resulted in EBITDA loss decrease
Less Depreciation	*(1,267,227)*	(565,079)	124%	Increased due to additional Capex
EBIT	(2,106,269)	(1,831,548)	15%	Negative EBIT increased by 15%
Less Finance Cost	*(251,641)*	*(140,209)*	79%	Finance Costs increased due to new CLN issue
EBT	(2,357,910)	(1,971,757)	20%	Resulted in increase in negative EBT by 20%
Less Taxes	*(9,775)*	*48,271*		Impact of Deferred tax provisions in Madagascar Subsidiaries
EAT	(2,367,685)	(1,923,486)	23%	EAT loss increased by 23%
Loss per share (Basic)	2.59 pence	2.24 pence	2%	Basic Loss per share increased by 2%
Loss per share (Diluted)	2.59 pence	2.24 pence	2%	Diluted Loss per share increased by 2%

E. TIRUPATI SPECIALITY GRAPHITE PVT LTD & DOWNSTREAM PROCESSING

Tirupati Speciality Graphite Pvt Ltd ("TSG"), now renamed as Pranagraf Materials and Technologies Private Limited, is a private Indian company promoted by the founders of the Company. TSG is engaged in downstream processing of flake graphite manufacturing advanced materials for hi tech applications, development of graphene and advanced materials and mineral processing technology research and 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 shareholders of TSG 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 decided to consider a number of alternative options to meet the objective of ensuring that the Company is able to continue with its pursuit of 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.

While the Company's upstream projects have evolved as fruitful operations with globally leading operating margins among listed peers, the opportunities for downstream processing of graphite is an important value addition. Such downstream processing is a necessity for the advanced applications of the product including in anode materials, flame retardants and thermal management. The Company is conscious that the technologies and expertise developed by TSG for these processes are unique, cost effective and environment friendly as compared to those used by others, primarily in China. Simultaneously, the graphene and advanced materials business being developed by TSG are a promising source of future growth opportunities and the mineral processing technology development arm of TSG adds another arena to the business. We have been advised by TSG that these businesses have substantially evolved over the years.

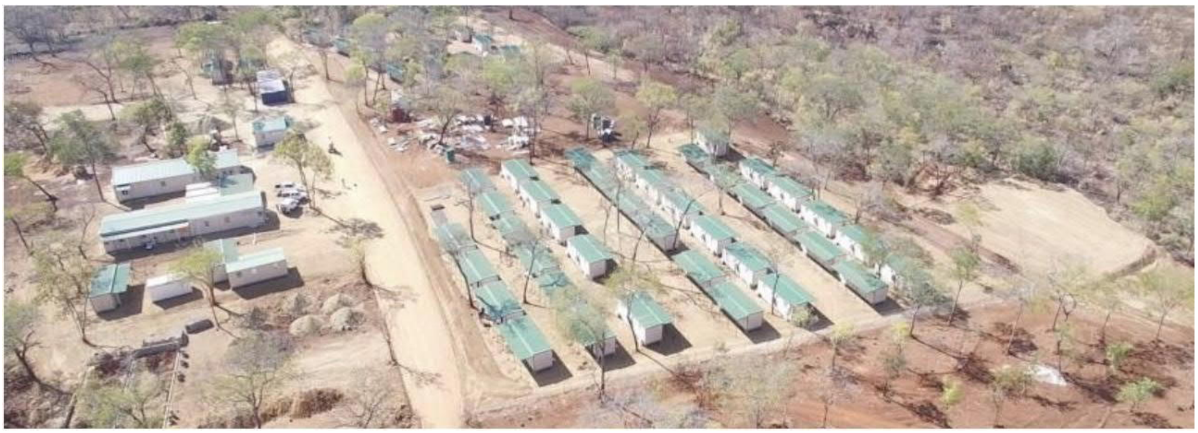
Since its last annual report, the Company has remained substantially focussed on building and streamlining its operations in Madagascar to 30,000 tpa capacity. Simultaneously, the Company has also focussed on completing the acquisition of Suni Resources in Mozambique, the projects of which provide the Company with the diversity and volume of resources for growing its upstream capabilities to meet the spectrum of downstream processed flake graphite product markets and enables the Company to add substantial resources better fit for the EV segment. Having completed the development of the Madagascan projects to the target capacity and the acquisition of Suni, which was completed in April 2023, the Company is better placed for taking the next steps in line with the options it is considering.

A subcommittee of Independent NEDs of the Board was constituted by the Company in March 2022. It used independent advisors for evaluating the regulatory hurdles and possibilities. The Company is working on finding appropriate solution for the business integration of the downstream business.

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 Mineral by the UK, EU, and USA. Various partnerships and collaborations between nations, such as the Minerals Security Partnership and the Atlantic Declaration, have developed following legislation such as the US inflation Reduction Act to incentivise secure and diverse supply chains, and reduce over-dependence on single nations or suppliers of raw materials, namely China. Demand growth is estimated to quadruple the global consumption over the current decade. The Company's current stated Medium Term Development Plan aims to reach a capacity of 84,000tpa flake graphite production capacity by end of 2024 in Madagascar. However, the Company is currently evaluating its further growth and capacity development options considering acquisition of assets in Mozambique. 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 needed to enhance its resource base and resource diversity outside of Madagascar and to increase the overall variety across the Company flake Graphite product basket. The Company has continuously evaluated opportunities for possible material acquisitions and is happy to report the following progress below:

a. 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 held the Mozambique portfolio of graphite assets of ASX listed Battery Minerals Limited ("Battery Minerals"), which included 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 included 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 was 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 was applied for and was subsequently granted. The Company raised funds through a £5m fundraise in December 2022 so that it was able to meet the Bank Guarantee and assist meet Battery Minerals's Capital Gains obligation that arose in order for approval by the Ministry of Mineral Resources and Energy in Mozambique to be granted.

The Acquisition is in line with the Company's stated strategy of diversifying its resource base and mitigating country risk. The two complementary graphite deposits 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. Having completed the Acquisition in April 2023, 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 100,000tpa operations in modules in the Montepuez project and 50,000tpa 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 targets.

A reminder of the size and scale of the Montepuez and Balama Central projects is demonstrated in the below Graphite resource tables:

Montepuez Graphite Ore Reserve Estimate

Deposit	Ore type	Class	Ore (Mt)	TGC (%)
Buffalo	Weathered	Probable	3.58	8.31
	Fresh	Probable	16.80	10.06
	Subtotal	Probable	20.38	9.75
Elephant	Weathered	Probable	2.41	8.39
	Fresh	Probable	19.41	8.87
	Subtotal	Probable	21.82	8.82
TOTAL	Weathered	Probable	5.98	8.34
	Fresh	Probable	36.21	9.42
	TOTAL	Probable	42.19	9.27

Balama Central Graphite Project Ore Reserve

Ore Type	Balama Central Graphite Project Ore Reserve		
	Class	Ore (Mt)	TGC (%)
Weathered	Probable	5.44	10.74
Primary	Probable	14.21	11.19
Total	Probable	19.66	11.06

Vanadium

The Montepuez project is also noted to have a Vanadium Mineral Resource of 34.6Mt @ 0.25% for 86Kt of contained Vanadium Pentoxide (V_2O_5) (see BAT ASX announcement 29th April 2019). The Company intends to further progress the previous owner's studies for the extraction of Vanadium Pentoxide as a by-product from the project's tailings as part of the aforementioned pilot trials it is conducting.

The Company notes that Vanadium Pentoxide is present in clay parts of the tailings, suggesting its sand extraction technology may be beneficial and may result in possible improved concentrations of Vanadium Pentoxide in the clay as it collects in the Tailings Storage Facility ("TSF").

The Company will report when it has the findings from the tests it has initiated and demonstrate the impacts of the findings on the outcomes of the previous studies.

A summary of the Vanadium Mineral Resource at Montepuez is shown below:

Montepuez Vanadium Resource

Deposit, Type	Tonnage	Vanadium Pentoxide%	JORC Resource Category
Elephant, Primary	18.4	0.24	Inferred
Buffalo, Primary	16.2	0.25	Inferred

b. Proposed acquisition of additional permits in Madagascar

On 2 September 2022, Tirupati Madagascar Ventures SARL (TMV) entered into a verbal 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 has been made to the Bureau du Cadastre Minier de Madagascar (BCMM). The Company awaits further feedback and action from 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.

This report was approved by the Board of Directors on 02 August 2023 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 2023), and forms part of our UK Annual Report and Accounts for the year ended 31 March 2023 (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:

- Completion of the acquisition of Suni Resource at the start of April 2023.
- Commencement of higher purity 96%- 97% Carbon Flake Graphite commercial production and supply from Vatomina
- Initiated activities on the ground in Mozambique following the Suni Resource acquisition completion, involving site visits and putting in place sampling and testing programme for redesigning the proposed processing facilities for graphite for economic benefits and further assessment of vanadium content previously assessed to be in tailings to contribute to updated studies building on previous DFS-level work inherited on acquisition completion.

Results for the year ended 31 March 2023

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 £ 251,641.
- Administrative expenses from continuing operations excluding depreciation £ 2,197,703.
- Group loss after tax from continuing operations was £ 2,367,685.
- Basic and diluted loss per share from continuing operations was 2.59 pence.
- As at 31 March 2023, the Group had cash and cash equivalents of £ 289,338.

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:

	2022-23 £	2021-22 £
Revenue	2,890,010	1,645,308
Cash and cash equivalents	289,338	1,534,023
Total Net assets	16,848,140	15,747,196
Loss per share	2.59 p	2.24 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 with a long-term target to establish flake graphite mining and processing capacities of c.8% of the global demand. This, in sync with the expected growth in demand, and aligning with markets and policies that are being promulgated by various Governments and associations of nations. The Company envisages that in doing so, it shall adopt environmentally friendly technologies, maximise the use of renewable energy and pursue the principles of sustainable development throughout its developing operations. The Company further continued to strengthen its cost advantage in both development and operations of its projects and turn The Company into profitability at the earliest.

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:

- Completion of initial significant development bringing installed capacity to 30,000tpa in Madagascar across Vatomina and Sahamamy.

  Overcoming various challenges faced by the Company during the year, The Company successfully completed the development of its Vatomina project to upscaled 12,000tpa capacity and the Sahamamy project to 18,000tpa capacity aggregating to 30,000 tons per annum. The Company is currently engaged in ramping up production to a first target of 75 - 80% capacity utilisation and assessing gaps to reach 100% capacity utilisation which may need installation of additional standby power generation sources, improving water resources management and similar improvements, while also considering adding additional pre-concentrate units which face higher downtime than the main final concentrate unit thus having sufficient standby arrangements to reach 100% capacity utilisation.

  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. It demonstrated the ability to operate its Madagascan flake graphite projects at a near 50% operating margin. The management displayed its ability to counter the impacts of adverse weather in 2022 by promptly executing processing flow sheet changes. With the Company having established the first stage and reaching significant capacity, developing markets for its Madagascan flake graphite it is within reach of being an earning company despite still being at such an early stage in its corporate journey and operating lifetime.

  The strategic decision to adapt the production flowsheet and 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.

- Progressed acquisition of Suni Resources in Mozambique to completion, securing two world-class natural flake graphite projects

  Following the announcement in the previous year in August 2021 of the binding acquisition Agreement for the acquisition of the entire issued share capital of Suni Resource SA and ownership of the two world-class natural flake graphite projects in Mozambique, namely Montepuez and Balama Central, Company Leadership continued to persevere and see through to completion the deal on 01 April 2023.

Over the course of the year, Leadership was able to secure variations of the Long Stop Date in order to maintain validity of the acquisition agreement as final issues were resolved.

The Company worked relentlessly with Battery Minerals Limited and secured the funding required to meet the financial obligations for obtaining necessary approval from the relevant Mozambique Governmental authority, thus allowing the company to complete the acquisition in early April 2023.

The two projects acquired host c.152 million tons of JORC 2012 Reserves and Resources with an average graphitic content of >8% implying >12 million tons of contained graphite, as against c. 1 million tons of contained graphite as per the JORC 2012 Mineral Resources Estimate held by the Company at its projects in Madagascar. Thus, the Company has expanded the total Graphite Resource base of the Company by a factor of 12 by acquiring these projects in Mozambique. Furthermore, it has diversified its resource location to mitigate risks related to being dependant on one location. The Montepuez project also brings the prospects of a Vanadium resource under the Company's control which is under evaluation following the post period end Mozambique Operations Update announcement on 10th July 2023.

Investing in the Acquisition of Suni Resources and significantly increasing the Company's resource base and geographic diversity 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. Having established the Company's leadership team in Madagascar, it has engaged in extensive training and skill development of the local leadership and workforce. The team has grown from the stage of operating a small 3,000tpa project. Project leadership has successfully completed the construction of additional capacities and simultaneously executed objectives alongside, such as the development of a hydro power plant, resource drilling and exploration activities, reinforcing and building of additional infrastructure, and performing all that is necessary for marketing products and business development that the company is engaged in operating and producing at this stage in the Company's development.

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.

- Further Capacity Development

The Company has outlined its current stage of development of the two Madagascan projects and the opportunities the company has with the completion of acquisition of Suni Resources adding the Montepuez and Balama Central projects in Mozambique. At the outset, and as disclosed in the prospectus, it was the target of the Company to reach 84,000tpa capacity for flake graphite production by end of 2024.

The completion of the development to 30,000tpa capacity in its Madagascar projects has been a challenging and significant task and has provided the Company and its management team the opportunity to learn and develop experience in the process. The Company has been focussed on ramping up its business with the build-up completed by the close of the reporting period and considering options for further capacity development. Thus, in light of the facts that for the next developments, it could be fruitful to consider next investments in the newly acquired projects while we stabilise the operations in Madagascar. The Company is weighing its further options, aligning its development optimisation and financing options and would take appropriate decisions in respect of further capacity creation.

Having achieved its first two targets of reaching 30,000tpa capacity in Madagascar and completing the acquisition of Suni Resources, The Company has at hand the task of progressing the downstream and advanced materials business considering 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 Chair and Managing Director and has been the key strength for the Company in its operations and development efforts arming the company with its competitive and strategic advantages. The Company remains engaged for successful integration on the downstream and advanced materials space which would complement the company's primary flake graphite business.

- Renewable Energy Strategy Executed

During the period, the first power generation from the 100Kw hydro power plant ('HPP') was achieved during November 2022 at Vatomina, and installation of an c.800 metre power evacuation line from the turbine house to the processing plant was completed. Some technical glitches surfaced in the flow arrangements and synchronisation of power generated which was addressed by arranging site visits by the equipment suppliers during the period.

The technical issues were successfully resolved in June 2023, post period, and the HPP is now operational. Considering a conservative plant load factor of 50% and the fact that by diesel power generating sets c.3.5 kilowatt hours of power is generated per litre of diesel, the HPP is expected to save an estimated >70,000 litres of diesel, and associated costs, per annum.

At Sahamamy, the Company also progressed further assessments for another potential 400 Kw hydropower generation prospect the development of which promises to further the Company's Sustainability goals. Applications for governmental approvals were submitted during the period, and once approved and capital for the purpose allocated, commercial work for the development of the prospect shall be furthered.

At Vatomina, pre-feasibility studies were conducted for 400 to 500 Kw hydropower prospects that were identified. The Company intends to further assess these prospects in due course.

Additionally, there exists prospects of c.300 Kw rooftop solar power generation across the roofs of plant buildings built by the Company. The Company intends to further study and optimise its sources for solar power in due course as its operations are turned to profitability prioritising investments in renewable energy.

These efforts are to cement Tirupati Graphite's reputation as a Sustainable supplier of natural graphite, reduce our overall environmental impact, and reassure customers of the advantages of using such sustainably produced Graphite as part of their supply chain. These measures are also expected to reduce the long term energy costs across the Madagascar projects.

The continued efforts and perseverance for establishing a significant proportion of power generation via renewable sources while also reducing total fuel consumption through aforementioned processing adaptations to reduce costs and improve Sustainability 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. In the interests of maintaining an up to date communication and presentation approach, the board has decided following the period end to engage a new website platform provider which will allow the Company to design a contemporary and well maintained website.

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 enabling source of the Company as an early mover and outperformer among its global Graphite peers, and shall continue to be so and that its human capital deserves to be rewarded commensurate with the Company's material successes.

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 completed which is expected to result in profitable operations. The capital resources of the Company have been substantially consumed as it has reached this stage and the Company is continuing the ramp up of production with the resources it has and is engaged for bridging any working capital gap. Any delay in achieving earnings may delay the Company's attains profitability and positive cash flow. Investor support may be negatively impacted if there are delays in achieving its strategy's intended goals.	The Company has completed building 30,000 tpa installed capacity and has successfully mitigated operational bottlenecks it faced and is ramping up production at its projects. Simultaneously, the Company is balancing market developments to optimise average time lapse from the point of sale to realisation of proceeds actively working with its trade partners to manage its cash flows. No further capital investments are currently being made for additional capacity development by the Company (except sustaining capital requirements) and the Company remains engaged to first achieve 75%-80% capacity utilisation at its projects and prioritise investment to bridge any gaps to reach 100% capacity utilisation with first investment funds available. It is further engaged with its Bankers and exploring other working capital financing strategies so as to find long term solutions for its post-sale credit financing.
Capital and funding risk	The Company may need additional capital for meeting its working capital needs and for creating additional capacities. There can be potential risks in raising equity and debt capital for development of its projects. The CLN's issued by the Company in 2019 ('2019CLN's') were due to mature on 1 July 2023 as previously agreed. The maturity has been extended to 31 December 2024 but document sign off in process.	The Company is currently ramping up its production to a target of 75 - 80% of the currently installed capacities and expects to generate significant free cash flows from its operations as it reaches the target level. No significant CAPEX investments are planned until this stage is reached. The Company also expects to progress funding arrangements for further developments once it has streamlined current operations. Post year end, the Company's Brokers Optiva Securities Limited have engaged with the 2019CLN's holders and have verbally agreed for extension of maturity to 31 December 2024 from the previously agreed 1 July 2023.
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.
Availability of utilities like Power and water resources	There is no grid power availability at the locations of the Company's projects and it relies on its own sources for power generation for its round the clock operations. Breakdowns in DG sets may adversely effect its production. Surface water is used by the Company for meeting its process water requirements. Deficiency in rainfall may lead to insufficiency of water availability for its processing plants.	The Company has set up diesel based power generation units across various consumption points and intends to strengthen its set of back up power generation units to mitigate any production loss from breakdowns. Recycling of water resources is extensively used in Vatomina and is being ramped up in the Sahamamy project.
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. Continued training and development of skills at operations and development remain an ongoing activity for the leadership team. The Company remains conscious of developing its management team on an ongoing basis.
Attraction and retention of Human Capital	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.
Adverse Weather Conditions	The Company faced severe disruptions in operations during 2022 due to severe weather conditions and lower than normal rainfall during 2023. The Company may face production losses due to such conditions in the future	Extensive strengthening of infrastructure was undertaken by the Company over the past few quarters. Additional channels for surface water accumulation in reservoirs are being made. Recycling arrangements are being

		strengthened further to minimise the risks in a comprehensive manner.
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. Moreover, the operations are located in lesser developed areas with limited availability of operational inputs.	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 methods to mitigate them as these surface. Various risks like technology, operational, mining, financial –

		cash flow and revenue etc are appropriately addressed. At its projects, the Company continues to enhance its inventory of inputs and stockpiling of alternative capital goods that may have the risk of breakdowns. It is therefore a constant learning and evolving process that the Company is seized with.
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 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 thus maintaining a balance of risks and rewards from Volatility.
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 for Mining Permits from the date of issue and is renewable at the permit holder's choice – 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 has added 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 works 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 for which the Company has a retained consultant in Madagascar. 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. The Company continuously engages in measures related to environmental improvements and operates health centres at both its projects. It is further well connected with the local health infrastructure.

Climate Related Financial Disclosures

In line with new Standards being implemented from the period covered by the report, the Company is pleased to provide disclosures under the framework recommended by the Task Force on Climate Related Disclosures (TCFD). These are designed to help investors and wider stakeholders understand how Companies are managing climate related financial risks. Our disclosures cover the following key areas: Governance, Strategy, Risk Management, Metrics & Targets.

Governance

To date, given the size and nature of the Company's business it has employed specialists as part of the team on the ground in Madagascar who conduct climate-related work such as infrastructure development, strategy formulation, data collection and analysis. This information is compiled in various reports which detail identified risks, the opportunities to overcome them and improve conditions where possible, and the action plan for future work.

The above information along with action plan is reviewed by operational senior management for decision making wherever required.

In light of the Company's growing size and greater operational footprint across the Company's Madagascar projects and now Mozambique as well, it is the Company's intention to form a Sustainability Committee. The Committee is expected to comprise operations team members, senior management, and individual board members who will Chair the subcommittee and be responsible for the regularity of its convening and future reviewing and reporting of Sustainability issues across factors such as Environment, Social and Governance relevant to the Company's operations and development. The future Sustainability Committee is also referred to in the Corporate Governance Report.

Strategy

The Company continuously monitors immediate risks to operations posed by Climate related issues and also strategies for future risks already identified. Having now operated in Madagascar since 2017 the team is well acquainted with issues that may or may not arise and has taken action based on experience with an outlook outward over the short to longer term covering the Company's operations and development horizon.

Madagascar project currently has an operational life based on published resource of 13 years across Sahamamy and Vatomina though the resources are substantially in inferred and indicated categories thus the Company considers 10 years as the prudent operational life of the projects at the current stage. This period is taken as the minimum time frame when identifying risks and mitigating actions for the operations at the scaled-up size where resources are needed and impact is made by the individual modular plants of 18,000tpa each.

If the Company is unable to resolve an issue relatively quickly, the financial impacts can be larger for longer. Therefore, the Company aim to think strategically to ensure it grows its footprint sustainably so that operations can be resourced properly in order to run efficiently. Through sensible strategy the Company is able to make its financial plans with greater confidence.

Risk Management

As a mining company there are issues that the Company may deem as material and core to its Risk Management strategy as a result.

Availability and use of surface water for Graphite processing is an essential requirement and so a potential shortfall of its availability is identified as a core risk as a failure to manage this risk can directly lead to a reduced operational and financial performance.

If a core issue is identified, processes are put in place as part of the Risk Management Framework that allow management and leadership to evaluate the success or lack thereof in managing the risk and key indicators are identified to measure the effectiveness of risk management actions.

Water use is continuously measured and as a result of it being core to operations, the availability is continuously monitored by taking depth readings of reservoirs and correlating with forecast water requirements. Creation of additional water storage and transportation facilities is also an ongoing action item as a result to track and supply operations suitably.

Road and infrastructure are continuously evaluated for integrity and safety to ensure they are suitable for use. Strengthening activities allows for better access and improved drainage where necessary.

The team on the ground reports progress frequently to management for review and discussion with senior leadership and the Board where so required.

Metrics and Targets

Climate change impacts such as adverse weather can directly impact the Company's personnel and operations. This can be measured by a variety of metrics including, but not limited to:

- Annual Number of injuries or deaths
- Annual Costs to repair infrastructure
- Annual lost days of production
- Production volumes lost to stoppages
- Energy volumes provided by renewable power
- Cost saved due to re-engineering of plant and use of renewable power
- Investment in renewable power

Targets are continuously reviewed in light of any mitigating risk management actions that are completed each financial year. Each year, improved performance is targeted over the previous period where possible. Given that the Company has only recently completed the development of its projects to the first stage, it is evolving financial metrics for climate risks.

The Company target to continuously reduce the impacts of its operations on climate with the following metrics

- Maximise generation of renewable energy using opportunities of hydro and solar power generation.
- Perform restoration activities concurrent with operations.
- Plant at least double the number of trees it may need to remove and where feasible relocate trees in mineralised areas to non mineralised zone.

- Evolve areas for utilisation of clay based impurities alongside utilisation of by product sand minimising waste generation.
- Put in place a road map for net zero emissions concurrent with UK net zero targets.
- Continue to evolve the production process to minimise use of energy as was done with split of PCU's and consider optimisation of capacities of FCU's by adding more PCU's thus minimising energy consumption per unit of output.

Corporate and Social Responsibility

The Company believes in extensive stakeholder engagement and remains committed to our corporate and social responsibility projects. In doing so it undertakes various activities for improving the quality of life of the communities it operates in. These measures include activities in the fields of infrastructure development and providing access, facilitating drinking water facilities and development, health services, promoting sports and education, and facilitating local government. For example, the Company has a health centre at both its projects, has built a new school building at Sahamamy, and built an extensive roads network among others. The Company released its first Sustainability report in October 2021. So that a detailed overview of the Company's social engagement and ESG credentials are well informed to stakeholders, the Company intends to release its second Sustainability report this year.

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 a short-term basis as required. As a result, the energy usage in the UK is below 40,000KWH and therefore Greenhouse gas emissions, energy consumption and energy efficiency disclosures have not been provided in the Annual Report.

Historically, the Company voluntarily released its first Sustainability Report in 2021 which gave an insight into some of the activities and initiatives undertaken by the Company across its projects.

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 the 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, we intend to publish the Company's annual Sustainability Report 2023 which will cover the period since the first report of 2021.

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, the Company acquired a second project in Madagascar and further acquired two more projects in Mozambique while establishing 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 employees, but also the community around it. The management and workforce of the Company comprise a mix of gender and nationalities. While the Company has women employees at different positions and has recently inducted its first female Board member, the gender parity is tilted towards males. However, it continues its efforts by providing 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 Company has raised equity and convertible debt capital over the past years and built its projects as is described in this report whereas also acquired additional projects to achieve its long-term capacity development aims. While it has established capacities and developed inventories to facilitate smooth operations, its cash resources were significantly depleted in creating these fixed and working capital assets leading to stressed working capital situation given it is required to provide credit facilities to larger corporate buyers. In the process, the Company has developed well-established relationships with many clients and suppliers across different geographic areas and with financial markets. While the ramping up of operations at its projects have remained slower than expected due to working capital limitations, the Company is making steady progress and increasing its output progressively. It is also engaged with its buyers for reducing the overall average credit periods and considering options for post-sale credit funding through Banks and other financiers. Consequently, the Board believes that while the Group faces working capital gaps at this stage, it is well placed to manage its business risks and progress its production to yield positive operating cash flows 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 and accordingly, the Board continues to adopt the going concern basis in preparing these financial statements.

For additional information refer to note no. 3 of the financial statements.

This report was approved by the Board of Directors on 02 August 2023 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 2023.

The Directors' remunerations form a 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 66 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 £1,358,661 representing a gross margin on Sales before depreciation of 47%. (2022: £508,112 & 31% respectively)
- The Group EBITDA was £ (839,042) and Net loss of £ (2,367,685) for the year [2022: EBITDA £ (1,266,469) and Net Loss £ (1,923,486) respectively]
- Construction, installation, and commissioning for uprating Vatomina's first plant to 12,000tpa capacity from 9,000tpa and considering a revised head grade of 3.5% was completed. Further construction, installation, and commissioning of 18,000tpa new facilities was completed at the Sahamamy project. Thus, the Company attained a globally significant capacity of 30,000tpa flake graphite production on the ground as at the close of the reporting period.

No dividends will be distributed for the period ended 31 March 2023.

Financial Instruments

In consultation with its financial and legal advisors, the Company approved a Warrant Instrument dated 15 July 2020 as an instrument for incentives primarily to its management team and financial 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. The Company extended the expiry of certain warrants issued to the Board and management prior to admission given the Company has remained in closed period for substantial part of time post admission. Further information about the use of financial instruments is detailed in note 22 to the financial statements.

During the year the Company raised funds in the form of Unsecured Convertible Loan Notes 2022 series (2022CLN's) with a maturity of 3 years and convertible at a premium to the then current market price for the Company's ordinary shares. The 2022CLN's are convertible to ordinary shares of the Company at the holder's choice within maturity and attract a Coupon of 12% per annum payable half yearly.

In 2019 - 2020 also, the Company raised funds in the form of Unsecured Convertible Loan Notes (2019CLN's) as disclosed in the listing prospectus dated 14 December 2020. Post conversion of 100,000 2019CLN's requested by a holder to 222,222 ordinary shares of the Company at an issue price of £0.45 per ordinary share 909,000 CLN's of face value £1 each remained outstanding as at 31 March 2023. The maturity of all 2019CLN's were extended to the last issue date in this series being 1 July 2023 and have now been verbally extended to 31 December 2024 for which the Company's Brokers Optiva Securities Limited is in the process of obtaining formal consent of all relevant holders. The 2019CLN's are convertible to ordinary shares of the Company at the holder's choice within maturity at an issue price of £ 0.45 per ordinary share and attract a Coupon of 12% per annum payable half yearly.

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 1,01,447,768 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.

In exercise of authority vested to the Board, during FY23 the Company issued 222,222 ordinary shares on 3 October 2022 upon request of conversion of 100,000 2019CLN's and 14,285,714 ordinary shares on 5 December 2022 to raise gross proceeds of £5,000,000 at an issue price of £0.35 per ordinary share.

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	Gender	Ethnicity / Nationality	Appointment/Resignation Date
Mr Shishir Kumar Poddar	Executive Chairman and Managing Director	Male	Indian	26 April 2017
Mr Christian G St. John-Dennis	Non-Executive Director	Male	British	26 April 2017 to 19th July 2023
Mr Hemant Kumar Poddar	Non-Executive Director	Male	Indian	26 April 2017
Mr Rajesh Kedia	Non-Executive Director	Male	British of Indian Origin	31 May 2018
Mr Lincoln John Moore	Non-Executive Director	Male	Australian / British	1 August 2020 to 23 May 2022
Mr Douglas Wright	Non-Executive Director	Male	British	25th November 2022 to 31 May 2023
Ms Isabel de Salis	Non-Executive Director	Female	British	1st June 2023

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 sitting Directors in the shares of the Company as at 31st March 2023 are as follows:

Director	Number of ordinary shares	Number of Share Warrants
Mr Shishir Kumar Poddar	1,789,250 (1.67%)	2,400,000
Mr Hemant Kumar Poddar	1,027,857 (0.96%)	680,000
Mr Rajesh Kedia	430,227 (0.40%)	380,000
Mr Christian G St. John-Dennis	1,359,210(1.27%)	680,000

Mr. Shishir Kumar Poddar and Mr Hemant Kumar Poddar and their family members along with Tirupati Carbons and Chemicals Pvt Limited who are identified as the Concert party under the Takeover Code hold 32,484,472 shares as at the date of this report.

Expenditure on Excavation and Evaluation

The Company has incurred expenditure on Excavation and Evaluation during the year and was charged to Income Statement. For more information refer to Significant Accounting Policies on Mining Exploration and Evaluation in the financial statements.

Research and Development

The Company and TSG (now 'Pranagraf') have jointly entered into a research service agreement with Monash University for developing dispersions and composites of polymers with GO and rGO developed and manufactured by TSG. The activities are ongoing with an aim to develop advanced materials that can be put to commercial use. For expenditure during the year, refer to Note 7 in the financial statements.

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 2023, and key points from the service contracts of the Directors. The Remuneration Committee was first formed in 2017 (year of incorporation of the Company) and is responsible for fixation of the remuneration of the Directors on the Board of the Company in accordance with contracts. Further details on the Remuneration Committee are 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. While the Company recognises the tireless efforts of the Board and management in shaping up the future of the Company in spite of head winds, the Company preferred not to enhance the remunerations nor provided any Bonus during the year.

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 there upon;
- 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)

The Company preferred not to enhance remunerations fixed for the Directors in the previous year and no Bonus was considered during the year. Thus, the Details of Directors' Remuneration incurred during the year ended 31 March 2023 was as follows:

	Salary and fees	Pension	Bonus	Share based payments	2023 Total
	£	£	£	£	£
Mr Shishir Kumar Poddar	320,000	30,000	-	-	350,000
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	5,242	-	-	-	5,242
Mr Douglas J Wright	12,800	-	-	-	12,800
TOTAL	452,042	30,000	-	-	482,042

For comparison, details of Directors' Remuneration during the year ended 31 March 2022 was 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

No share-based payment was made to the Directors during the year. There being no share-based payments made during the year, thus no charge was recorded during the year for share based payments. The impact of extension of validity for exercise of previously issued warrants was not material and no cost was regarded in relation thereto.

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 the decisions towards which vests with the Managing Director who appraises the committee on these and considers that the current remuneration of executive is appropriate and commensurate with pay and employment benefits across the wider Group. Given that the Company is in a stage of turnaround to profitability across the group, the Company intends to consider appropriate rewards for the team that has worked tirelessly for bringing the Company to its current stage.

Substantial Shareholdings

As at the date of this report, 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	27.64
Nicolas Petitjean	3,840,300	3.59
Premier Miton Group plc	4,395,306	4.11
Optiva Securities Ltd	3,935,283	3.68
Battery Mineral Limited	5,518,944	5.16

Tirupati Carbons and Chemicals Pvt Limited along with Shishir Kumar Poddar and Hemant Kumar Poddar and their family members hold 32,390,472 shares representing 30.28% as at the date of this report.

Optiva Securities Ltd along with family members of Mr. Dennis hold 5,444,492 shares representing 5.06% as at 17 July 2023.

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 UK adopted International Accounting Standards (UK adopted IAS), and have also chosen to prepare the company financial statements under UK adopted IAS. 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 UK adopted IAS 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.

Statement of Directors' responsibilities pursuant to Disclosure and Transparency Rule

Each of the Directors, whose names and functions are listed on page no. 52 and confirm that, to the best of their knowledge and belief:

1. the financial statements are prepared in accordance with UK-adopted IAS a, give a true and fair view of the assets, liabilities, financial position and loss of the Group and the Company as whole; and
2. the management report, as required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority which is covered by the Directors' Strategic Report, Director's Report and the Corporate Governance Report of this Annual Report and financial statements, includes a fair review of the development and performance of the business and the position of the Group and the Company as whole, together with a description of the principal risks and uncertainties that they face.

As at year end 31 March 2023, 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 02 August 2023 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 2023.

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, stage and nature. We at Tirupati Graphite Plc ("TG") are a Company in a specialist and niche area and derives much of our strengths from the extensive expertise and experience of the principal founder who has been the Executive Chairman and Managing Director of the Company since inception. Alongside him, the leadership team that drives the Company, including its Board and Management, emanate from decades of co-working, 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. These market dynamics have continued if not gained strength, suggesting the Company is on the right path. 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 continued to regularly inform shareholders of its progress through RNS, answer shareholder questions via emails sent to the Company email address and respond to prospective investors directly and through its brokers and social media. The Company maintains a dedicated email address 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 meeting with major shareholders and group meetings through video conferencing platforms providing presentations on the Company's activities 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 and aims to attend annual general meetings 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 success of the Company. It is focussed on developing extensive support for its customers and prospective customers by building sustainable relationships and providing comfort of source diversity, security of supply, and meeting expectations, evolving its operations as needed. It maintains this extensive support which can earn the Company priority and preferential rates from its suppliers of goods and services, through developing such long lasting relationships. It maintains deep engagement with customer leadership teams, to ensure their happiness and thus earning dedication to the services of the Company, including by working extended hours by choice and with a sense of responsibility. The extensive engagement is visible in the successful outcomes of Company business development efforts with the Company receiving repeated and larger orders from its current buyers and supports its prospective buyers for its products and services by meeting stringent timelines in building its projects with support of its suppliers and through dedicated efforts of its human capital, in spite of limitations caused by the pandemic and adverse weather related disruption. Through these efforts, the Company continues to grow its business.

The Company formulated its community outreach 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 and 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.

The Company aims to replicate and build further on the success and accomplishments of its Shakuntalam policy witnessed in Madagascar at its new Mozambique projects and commence outreach work with their local stakeholders as work begins there.

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

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 this purpose, and collectively work to mitigate any negative potential 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 acquisition of the primary graphite projects in Mozambique have helped to diversify and enhance the Company resource base. 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 Nomination Committee considered and fixed five members as the maximum number of members on the Board at the time of listing of the Company, considering the size and stage of the Company. The three founding Directors of the Company continued on the Board during the period, and the Company retained two Non-Executive Members for effective governance. Pursuant to resignation of Mr. Dennis, one of the founding members of the Board, the Company intends to add another independent non-executive member on the Board. The Executive Chairman, being the mentor of the Company, continues to provide effective leadership to the Board shaping the Company and is a major driver behind 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 by the Nomination Committee, and his leadership is key to the success of the development of the Company's business. Hence, variances from the guidance of the QCA code is considered appropriate for the nature of the Company and its objectives.

The Board of the Company provides effective collective leadership to the Company and is constantly engaged in overseeing 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. While the committees held at least one meeting annually in previous years to execute their respective area of business, during FY23 the whole Board preferred to deal with matters in view of the circumstances faced by the Company and it did not consider any renumerations increment and bonus to conserve cash resources. As mentioned further below in this Governance Report, the Company and Board intend to establish a Proposed Sustainability Committee to improve further the level of Governance and reporting with relation to the Company's Sustainability strategy and activities. The 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 has grown and continues to grow, 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. Focus is spent to determine the members' 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 new Non-Executive Directors who have joined the Board since 2020, indicates the ethical working culture 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 2022 to 31 March 2023.

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 analysis, and discussions in terms of the Company's evolved strategy and business development goals which helps to drive forward further evolution of the Company's business. The Board remains collectively responsible for achieving growth, earning trust and effective communications with shareholders. The Board committees function in accordance with 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 an 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 the Board 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 Operations

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.

Seven Board meetings were held during the year. The Directors' attendance recorded during the year for current continuing members on the Board are as follows:

Director	Number of meetings attended	% of Attendance
Mr Shishir Kumar Poddar	7	100
Mr Christian G St. John-Dennis	7	100
Mr Hemant Kumar Poddar	7	100
Mr Rajesh Kedia	6	85
Mr Douglas J Wright**	3	75
Isabel de Salis*	NA	NA

*Joined post year end

**Appointed 25 November 2022, Resigned 1 June 2023

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 formally and the Board took final decisions in respect of Board appointment matters. As stated above, during FY23 the whole Board preferred to take decisions on matters of the committee, thus, no meeting of the committee was held separately.

The Executive Chairman conducts an induction process for a new Director to the Board, provides 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. Rajesh Kedia and Mr Christian St. John Dennis. 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 continued informal discussions on a regular basis during the year. As stated above, during FY23 the whole Board preferred to take decisions on matters of the committee, thus, no meeting of the committee was held separately. Matters considered at these meetings included: reviewing and approving the report and financial statements for the period ended 31 March 2022; 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, Mr. Christian St John Dennis 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 2022 to 31 March 2023, the Company remained substantially engaged in building its business and production projects and preferred to remain on the same levels of remuneration for the Board. During the year under reporting the Remuneration Committee did not meet formally and the Board took final decisions in respect of Board appointment matters. As stated above, during FY23 the whole Board preferred to take decisions on matters of the committee, thus, no meeting of the committee was held separately.

As stated above, during FY23 the whole Board preferred to take decisions on matters of the committee, thus, no meeting of the committee was held separately. Given the challenges and commitment to successfully building out the project production capacities, the Board preferred to not pay any bonus in the year covered by this report. This applies to the Executive Chairman as well, who has also not received a bonus during the Financial Year and has taken a reduced salary for the year in support of the Company's efforts compared to the previous year in order to prioritise the Company's developments.

Proposed Sustainability Committee

Given the successful completion of the Company's current stage of development, it is the intention of the Company and the Board to establish a Sustainability Committee to oversee the Company's approach to climate-related risk management in connection to enhance strategic development and financial planning. The Committee will be responsible for review and analysis of data collected by the team members on the ground and its interpretation, as well as considering actions to be implemented and their overview.

The Committee will play a large part in ensuring the Company's Sustainability values and priorities are met and that the Company is on track with its Sustainability strategy as part of the Transition to Net-Zero and establishing Zero-waste operations. Therefore, the Committee will have regular oversight of the inputs required to publish Sustainability Reports of the Company.

It is a priority of the Company to maintain high standards of Governance in all aspects, and it will endeavour to achieve this for its approach to Sustainability with this Committee throughout the development of its projects across its operating jurisdictions.

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 2022 to 31 March 2023, the Company continued to engage 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 02 August 2023 and signed on its behalf by

Mr Shishir Poddar
Executive Chairman and Managing Director

Independent Auditor's report to the members of Tirupati Graphite Plc

Opinion

We have audited the financial statements of Tirupati Graphite Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Statement 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 parent 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 parent company's affairs as at 31 March 2023 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 parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards 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 parent 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 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.

Material uncertainty related to going concern

We draw attention to Note 3 in the financial statements, which indicates that the group is reliant on additional funding to successfully execute its business plan of graphite mineral processing to meet its working capital requirements as they fall due. The parent company is in discussion with potential funders (both debt and equity) to raise the required funds. Whilst there is no indication at the date of signing of these financial statements that this financing will not be forthcoming, there can be no certainty that it will be successful. As stated in Note 3, these events, or conditions indicate that a material uncertainty exists that may cast significant doubt on the group's and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' 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 parent company's ability to continue to adopt the going concern basis of accounting included:

- consideration of the group's objectives, policies and processes in managing its working capital as well as exposure to financial, credit and liquidity risks;

- checking the mathematical accuracy of the forecast used to model future financial performance;
- reviewing management's future financial performance and discussions with management regarding the future plans and availability of funding;
- obtaining corroborative supporting evidence for the key assumptions, estimates and inputs used in the cashflow forecast and challenging the reasonableness of the key assumptions, estimates and inputs;
- carrying out a sensitivity analysis on the forecasts to incorporate a reasonable downside assessment of the forecasts; and
- reviewing the adequacy and completeness of disclosures in the financial statements.

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 a magnitude of misstatement, including omission, that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We have also considered those misstatements including omissions that would be material by nature and would impact the economic decisions of a reasonably knowledgeable person based our understanding of the business, industry and complexity involved.

We apply the concept of materiality both in planning and throughout the course of audit, and in evaluating the effect of misstatements. Materiality is used to determine the financial statements areas that are included within the scope of our audit and the extent of sample sizes during the audit.

We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Materiality for the group financial statements was set at £320,000 (2022 £242,380). This was calculated based on 1.5% of gross assets from the draft financial information received during planning (2022: 1.5% of gross assets). Using our professional judgement, we have determined gross assets 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 the value of its producing assets 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 parent company financial statements was set at £310,000 (2022: £241,000). This was calculated on the same basis as group materiality.

Performance materiality was set at £224,000 (2022: £169,666) for the group financial statements and £217,000 (2022: £168,700) for the parent company financial statements.

In determining performance materiality for the group and parent company, 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 respect of the key accounting estimates;

- significant transactions during the year;
- the stability in key management personnel; and
- the level of misstatements identified in prior periods.

The materiality and performance materiality thresholds for the significant components of the group were calculated considering the same factors as for group and parent company materiality.

For each component of the group, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £128,000 and £310,000 (2022: £93,000 and £241,000). No significant changes have been drawn to our attention which required a revision to our materiality for the financial statements as a whole.

We agreed to report to those charged with governance all corrected and uncorrected misstatements we identified throughout our audit for the group with a value in excess of £16,000 (2022: £12,119) and for the parent company a value in excess of £15,500 (2022: £12,050). 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 was risk based and was designed to focus our efforts on the areas at greatest risk of material misstatement, aspects subject to significant management judgement as well as greatest complexity, risk and size. The scope of our audit was based on the significance of the component's operations and materiality. Each component was assessed as to whether they were significant or not to the group by either their size or risk.

The group consists of Tirupati Graphite Plc (listed parent company) and 2 subsidiaries, namely- Tirupati Madagascar Ventures ("TMV") and Establissements Rostaing ("ER'').

The listed parent company is based in the United Kingdom and the 2 subsidiaries are based in Madagascar. All the 3 components are active and identified as significant component due to their size and identified risks.

The work on the significant components of the group has been performed by us as group auditor.

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements, considering the structure of the group.

We considered those areas which were deemed to involve significant judgement by the directors, such as the key audit matters relating to the carrying value of tangible and intangible assets, carrying value of investments and recoverability of intercompany balances in the parent company financial statements. Other areas where judgement and estimates were involved were going concern assessment, capitalisation of costs, determination of the useful life of assets, recoverability of value added tax, and accounting for convertible loan notes.

We also addressed the risk of management override of controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The group's and parent company's accounting function is based in Madagascar and India and the audit was performed by our team in London with regular contact maintained with the group and parent company's finance team throughout.

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 year 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. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter (KAM)	How our scope addressed this matter
Carrying value of tangible and intangibles assets (Group) (Notes 12 and 14)	
As at 31 March 2023, the carrying value of tangible and intangible assets were £11.2 million and £3.6 million, respectively. The intangible assets arose from the exploration and excavation activities undertaken at the Vatomina and Sahamamy sites. The tangible asset relate to property, plant and equipment and infrastructure being set up in relation to mining and graphite purification activities. Due to the operating losses and negative operating cashflows of the group, there is a risk that the assets are impaired and the carrying value of the asset within the group financial statements is not appropriate. The impairment assessment performed by management includes use of estimates and judgements which are subject to management bias which may result in the carrying value of assets being overstated.	Our work in this area included but is not limited to: • Obtaining an understanding of the capitalisation and impairment assessment process followed by management; • Obtaining and reviewing management's assessment of impairment and challenging the key assumptions and inputs made by management in their assessment by obtaining contradictory and corroborative evidence; • Site visits to establish the existence and condition of the tangible assets and observing the exploration and excavation activities being undertaken; • Reviewing documentation in respect of good title of the assets and compliance with the terms therein; • Obtaining the listing of costs capitalised and selecting a sample of capitalised costs to verify the amounts to supporting documentation and assessing whether the cost met the criteria for capitalisation; • Reviewing Board minutes and Regulatory News Services (RNS) announcements for any evidence of impairment of the tangible and intangible assets held by the group; and • Reviewing the disclosures and presentation in the group financial statements.

	Based on the procedures performed, we are satisfied that the carrying value of the tangible and intangible assets in the financial statements is supported by the underlying models, and the judgements and estimates applied to be reasonable. The future carrying value of the tangible and intangible assets is dependent on the ability of the subsidiaries to fully realise the potential levels of extraction forecasted and a failure to achieve those targets would likely lead to an impairment of the assets.
Carrying value of investments and recoverability of intercompany receivables (Parent company) (Notes 13 and 15)	
As at 31 March 2023, the carrying value of investments was £3.9 million and intercompany receivable was £17.6 million. The investments are in respect of 100% wholly owned subsidiaries. Due to the operating losses and negative operating cashflows of the subsidiaries, there is a risk that the investments and receivables are impaired and the carrying value recorded in the financial statements is not appropriate. The impairment assessment performed by management includes use of estimates and judgements which are subject to management bias and may result in the carrying value of the investments being overstated.	Our work in this area included but is not limited to: • Obtaining an understanding of the impairment assessment process followed by management; • Reviewing documentation in respect of good title to ownership; • Obtaining and reviewing management's assessment of impairment and challenging the key assumptions and inputs made by management in their assessment by obtaining contradictory and corroborative evidence; • Reviewing Board minutes and RNS announcements for any evidence of impairment of investments held by the parent company; and • Reviewing the disclosures and presentation in the financial statements. Based on the procedures performed, we are satisfied that management's assessment of the carrying value of investments and recoverability of intercompany receivables are supported by the underlying models, and the judgements and estimates applied to be reasonable. The recoverability is dependent on the ability of the subsidiaries to fully realise the potential

	levels of extraction forecasted and a failure to achieve those targets would likely lead to an impairment of the carrying value of the investments and/or the intercompany receivables.

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 parent 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 apparent 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 parent 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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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' responsibility within the director's report, the directors are responsible for the preparation of the group and parent 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 parent company financial statements, the directors are responsible for assessing the group's and the parent 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 parent 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 the parent 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 and our experience of the sector or similar sectors. We also selected a specific audit team with experience of auditing entities facing similar audit and business risks.

- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:
    - UK Companies Act 2006;
    - Listing Rules;
    - Disclosure Guidance and Transparency rules;
    - Import, Export and Customs Powers (Defence) Act 1939;
    - Quoted Company Alliance (QCA) Corporate Governance Code;
    - Data Protection Act 2018;
    - Madagascan Company Law;
    - Environmental and mining rules in Madagascar;
    - Employment and labour laws primarily in Madagascar;
    - UK Anti-Bribery Act 2010;
    - Anti Money Laundering Regulations; and
    - Local tax laws and regulations in Madagascar.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
  - enquiries of management;
  - enquiries of the in-house legal counsel;
  - reviewing of board minutes RNSs announcements; and
  - reviewing the nature of legal and professional fees incurred in the year.

- 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 revenue recognition, inappropriate application of the going concern assumption in the preparation of financial statements and management bias in determining key accounting estimates in carrying value of intangible assets, carrying value of investments and recoverability of intercompany balances in the parent company financial statements. We addressed this by challenging the estimates/judgements made by management when auditing these significant accounting estimates/judgements (refer to the key audit matter and material uncertainty related to going concern sections).

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: testing of journals; reviewing key accounting judgement and estimates for evidence of bias (refer to the key audit matter section and material uncertainty related to going concern sections); and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

- Our review of non-compliance with laws and regulations incorporated all group entities. No component auditors were used for the purpose of the group audit, and all entities within the group are incorporated within the United Kingdom and Madagascar.

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 under the Companies Act 2006 of the United Kingdom at the Annual General Meeting on 28 October 2022 to audit the financial statements for the period ending 31 March 2023 and subsequent financial periods. Our total uninterrupted period of engagement is 5 years, covering the periods ending 31 March 2019 to 31 March 2023.

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

Daniel Hutson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
02 August 2023

15 Westferry Circus
Canary Wharf
London E14 4HD

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2023

	Notes	2023	2022
		£	£
Continuing operations			
Revenue	5	2,890,010	1,645,308
Cost of Sales	6	(1,531,349)	(1,137,196)
Depreciation of Operating Assets		(1,024,564)	(482,641)
Gross profit		334,097	25,471
Administrative expenses	7	(2,440,366)	(1,857,019)
Operating loss		(2,106,269)	(1,831,548)
Finance costs	9	(251,641)	(140,209)
Loss before income tax		(2,357,910)	(1,971,757)
Income tax	10	(9,775)	48,271
Loss for the year attributable to owners of the Company		(2,367,685)	(1,923,486)
Other comprehensive income: Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(1,381,371)	(361,662)
Total comprehensive loss for the year attributable to the Group		(3,749,056)	(2,285,147)
Earnings per share attributable to owners of the Company		Pence per share	Pence per share
From continuing operations:			
Basic and Diluted	11	(2.59)	(2.24)

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

Consolidated and Company Statement of Financial Position

As at 31 March 2023

	Notes	Group		Company	
		2023	2022	2023	2022
		£	£	£	£
Non-current assets					
Investments in subsidiaries	13	-	-	3,921,348	3,901,023
Property, plant and equipment	14	11,198,437	7,356,121	-	-
Deferred tax	24	74,046	75,242	-	-
Deposits		32,455	6,806	-	-
Intangible assets	12	3,599,065	3,571,196	40,970	40,970
Total non-current assets		14,904,003	11,009,365	3,962,318	3,941,993
Current assets					
Inventory	16	1,386,558	732,274	-	-
Trade and other receivables	15	4,755,629	4,242,635	21,213,389	13,858,647
Cash and cash equivalents		289,338	1,534,023	130,340	1,505,410
Total current assets		6,431,525	6,508,932	21,343,729	15,364,057
Current liabilities					
Trade and other payables	17	1,684,808	730,869	735,440	315,207
Borrowings	19	909,000	536,000	909,000	536,000
Total current liabilities		2,593,808	1,266,869	1,644,440	851,207
Net current assets		3,837,717	5,242,063	19,699,289	14,512,850
Non-current liabilities					
Borrowings	19	1,862,500	473,000	1,862,500	473,000
Other payables	17	31,080	31,232	-	-
Total non-current liabilities		1,893,580	504,232	1,862,500	473,000
NET ASSETS		16,848,140	15,747,196	21,799,107	17,981,843
Equity					
Share capital	20	2,536,195	2,173,497	2,536,195	2,173,497

Share premium account		24,462,976	19,975,356	24,462,976	19,975,356
Warrant reserve	21	116,065	130,557	116,065	130,557
Foreign exchange reserve		(2,157,579)	(776,208)	-	-
Retained losses		(8,109,518)	(5,756,006)	(5,316,129)	(4,297,566)
Equity attributable to owners of the Company		16,848,140	15,747,196	21,799,107	17,981,843
TOTAL EQUITY		16,848,140	15,747,196	21,799,107	17,981,843

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 £1,032,736 (2022: £1,400,141).

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 02 August 2023 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 2023

	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 2021	1,871,084	10,426,988	(414,546)	130,557	(3,832,520)	8,181,563
Loss for the period	-	-	-	-	(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
Balance at 31 March 2022	2,173,497	19,975,356	(776,208)	130,557	(5,756,006)	15,747,196
Loss for the year	-	-	-	-	(2,367,685)	(2,367,685)
Other Comprehensive Income: Exchange translation loss on foreign operations	-	-	(1,381,371)	-	-	(1,381,371)
Total comprehensive income for the year:	-	-	(1,381,371)	-	(2,367,685)	(3,749,056)
Transactions with owners						
Shares issued	362,698	4,487,302	-	-	-	4,850,000
Adjustment to Warrant Reserve	-	319	-	(14,492)	14,173	-
Balance at 31 March 2023	2,536,195	24,462,976	(2,157,579)	116,065	(8,109,518)	16,848,140

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. During the year, £250,000 was adjusted as share issue expenses against share premium reserves.

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 2023

	Attributable to equity shareholders				
	Share capital	Share premium	Share warrants reserve	Retained losses	TOTAL EQUITY
	£	£	£	£	£
Balance at 1 April 2021	1,871,084	10,426,988	130,557	(2,897,425)	9,531,204
Loss for the period	-	-	-	(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
Balance at 31 March 2022	2,173,497	19,975,356	130,557	(4,297,566)	17,981,843
Loss for the year	-	-	-	(1,032,736)	(1,032,736)
Total comprehensive income:	-	-	-	(1,032,736)	(1,032,736)
Transactions with owners					
Shares issued	362,698	4,487,302	-	-	4,850,000
Adjustment to warrant reserve	-	319	(14,492)	14,173	-
Balance at 31 March 2023	2,536,195	24,462,976	116,065	(5,316,129)	21,799,107

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. During the year, £250,000 was adjusted as share issue expenses against share premium reserves.

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 2023

		2023	2022
		£	£
Cash used in operating activities			
Loss for the year		(2,357,910)	(1,971,757)
Adjustment for:			
Depreciation		1,267,227	565,079
Convertible loan note costs ("CLN")		93,125	-
Share based payments expense		-	-
Lease interest		3,334	
Finance costs		251,641	140,209
Unrealized Forex Loss / (Gain)		(41,054)	-
Working capital changes:			
Increase/(decrease) in inventories		(654,284)	(271,181)
Increase/(decrease) in receivables		(1,566,964)	(547,603)
Increase/(decrease) in payables		861,019	285,596
Increase/(decrease) in DTA & Other assets		(25,649)	(10,723)
Taxes paid		(319)	-
Net cash from/(used in) operating activities		(2,169,835)	(1,810,380)
Cash flows from investing activities:			
Purchase of tangible assets		(2,797,818)	(5,151,562)
Advance towards asset purchase**		(2,632,525)	(2,592,163)
Net cash (used in) investing activities		(5,430,343)	(7,743,725)
Cash flows from financing activities*			
Proceeds from Shares issued (net of costs)		4,750,000	9,576,781
Proceeds from issue of Convertible loan notes (net of costs)(see below note)		1,769,375	-
Lease Liability		(10,087)	7,368
Finance cost		(168,496)	(140,209)
Net cash from financing activities		6,341,111	9,436,572
Effects of exchange rates on cash and cash equivalents		14,382	-
Net (decrease)/increase in cash and cash equivalents		(1,244,685)	(110,165)

Cash and cash equivalents at beginning of period		1,534,023	1,644,189
Cash and cash equivalents at end of period		289,338	1,534,023

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).

**Advance towards asset purchase is for advance paid towards acquisition of Suni resources.

Note: Reconciliation of Convertible Loan Notes

	2023	2022
	£	£
Opening Balance as on 1st April	1,009,000	1,283,000
Issued during the year	1,862,500	-
Redeemed/Converted during the year (non cash item)	(100,000)	(274,000)
Closing Balance as on 31st March	2,771,500	1,009,000

Particulars	2023	2022
	£	£
Amount Received from issue	1,862,500	-
Issue cost Paid against consideration	(93,125)	-
Net Amount received from issue	1,769,375	-

Company Statement of Cash Flows

For the year ended 31 March 2023

		2023	2022
		£	£
Loss for the year		(1,032,736)	(1,400,141)
Adjustment for:			
Increase in inventories		-	212,580
Share based payments		-	-
Unrealized Forex Loss / (Gain)		20,675	-
CLN issuance cost		93,125	-
Finance costs		251,641	140,209
Working capital changes:			
Increase/(decrease) in receivables		(87,712)	(5,718,677)
Increase/(decrease) in payables		319,244	95,427
Net cash used in operating activities		(435,763)	(6,670,602)
Cash flows from investing activities:			
Sale of tangible assets		-	201,725
Advance towards asset purchase**		(2,632,525)	(2,592,163)
Loans to Subsidiaries		(4,634,505)	-
Investment in subsidiaries		(20,325)	(361,575)
Net cash (used in) investing activities		(7,287,355)	(2,752,013)
Cash flows from financing activities*			
Shares issued		4,750,000	9,576,781
Proceeds from issue of convertible loan notes		1,769,375	-
Finance costs		(168,496)	(140,209)
Net cash from financing activities		6,350,879	9,436,572
Effects of exchange rates on cash and cash equivalents		(2,831)	-
Net (decrease)/increase in cash and cash equivalents		(1,375,070)	13,956
Cash and cash equivalents brought forward		1,505,410	1,491,454

Cash and cash equivalents carried forward		130,340	1,505,410

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

**Advance towards asset purchase is for advance paid towards acquisition of Suni resources.

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

Note: Reconciliation of Convertible Loan Notes

	2023	2022
	£	£
Opening Balance as on 1st April	1,009,000	1,283,000
Issued during the year	1,862,500	-
Redeemed/Converted during the year (non cash item)	(100,000)	(274,000)
Closing Balance as on 31st March	2,771,500	1,009,000

Particulars	2023	2022
	£	£
Amount Received from issue	1,862,500	-
Issue cost Paid against consideration	(93,125)	-
Net Amount received from issue	1,769,375	-

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 2020 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 UK adopted IAS

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 2022. The following IFRS or IFRIC interpretations were effective for the first time for the financial year beginning 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in this financial information:

Standards/interpretations	Description	Effective from
IFRS 3 amendments	Business Combinations	1 January 2022
IAS 16 amendments	Property, Plant and Equipment	1 January 2022
IAS 37 amendments	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
IFRS 9 amendments	Annual Improvements to IFRS Standards 2018–2020 (fees in the 10 percent test for derecognition of financial liabilities).	1 January 2022

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 8	Amendments – Definition of Accounting estimate	1 January 2023
IAS 12	Amendments - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IAS 1 amendments and IFRS practice statement 2	Disclosure of accounting policies	1 January 2023

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 UK adopted international accounting standard (UK- adopted IAS) 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 UK-adopted IAS 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 has executed development to reach a capacity of 30,000 tons flake graphite production by end of the reporting period and is engaged in ramping up production while selling its produce globally. In the period the Company continued to produce and sell from the created facilities and its annual revenues continue to grow. The Company further reported positive operating gross cash margins throughout the period and addressed any challenges that came on its way successfully finding solutions as has been reported by the Company on a continued basis.

For the year under reporting, the Company achieved 47% operating margins at a total production of 4,770MT clocking sales of 3982 tons and yielding revenue of £2,890,010 up 76% over previous year whereas the new 18,000 tons capacity was only commissioned at the end of the year. In the first quarter of the current financial year, the Company achieved sales of 2772 tons which represent c.70% of the quantity sold in the year under reporting and the Company continues to ramp up its production and sales with a target to achieve 75-80% production and sales on the installed capacity. According to the Company's estimates, it achieves positive operating cash flows at the corporate level at an estimated 800-900 tons of sales per month.

The Company raised a total gross sum of £6,862,500 during the year by way of capital raise activities, 1,862,500 by way of Convertible Loan Notes and £5,000,000 by way of equity placing. Since admission in December 2020, the Company had raised a sum of £16,000,000 up to 31 March 2022. Thus, the Company has an established track record for raising funds for its development, though it is not guaranteed that the Company will be able to raise funds successfully in the future. However, the Company's current established capacities and operations provide reasonable basis to assume that the Company can continue to meet its costs and cash requirements at the consolidated level with its revenues.

While the Company has been in a stringent cash position at the close of the year under reporting, the Company continues to produce and sell and realise sale proceeds increasing output step by step within its available resources. The Company is also engaged to explore possible routes for financing its receivables or by way of convertible debt to ease its liquidity position it continues to manage its business within the available resources.

Taking in to account the comments above, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, given its current resources, installed capacities and operations, and growing sales and revenues which are expected to add positive operating cash flows which the Company can use and leverage for its future growth.

Were the Company unable to meet its cash flow needs from its current revenue resources, the Company shall not hesitate from raising any gap funding and the Board believes and has demonstrated that it has the ability to do so. Therefore, the Company continues to adopt the going concern basis of accounting in preparing the financial statements and is of the view that with the development of the business and creation of capacities over the past few years, it has attained the status that it shall remain a going concern for the foreseeable future.

The Company notes that even though the Company has historically successfully raised capital to meet its capital needs, there is no certainty that the Company shall be able to raise funds over the next 12 months to meet its obligations and/or needs if the situation so requires. Thus the auditors made reference to include a material uncertainty in relation to going concern in their audit opinion.

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 Madagascar Ventures and Etablissements Rostaing.

In the company financial statements, investments in subsidiaries 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 2023. 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 by accounting resulting foreign exchange difference into Other Comprehensive Income and foreign exchange reserve on consolidation.

Segment Reporting

The Group's chief operating decision makers are considered to be the Board and senior management who have determined that as the Group has only Graphite mining extraction activities in one region, Madagascar as all the activities are closely linked and monitored as one operating and geographical segment. Thus its Corporate Office in London, UK and the Company is not seen as a separate reporting segment. Therefore results, assets and liabilities of the operating segment are the same as presented in the Group's primary statements. Previously Company reported segment information, relating to assets and liabilities of the group's subsidiaries which the management has reassessed, leading to the conclusion that such segment reporting is not relevant and hence removed from the current report.

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.

The Incoterms at which the Company conducts its sale of goods are Free on Board (FOB) or Cost Insurance Freight (CIF) basis. Under these incoterms as per Uniform Customs and Practices the point of transfer of risk and rewards for the goods sold to the buyer is the port from which the goods are shipped. Thus, the point of revenue recognised by the Company is the entry of goods duly stuffed in containers and sealed at which point the charge of goods are transferred to the prearranged shipping line who issue the relevant shipping document as the goods are loaded on the ship.

Foreign Currencies

For each entity, the Group determines the functional currency, and items included in the consolidated financial statements of each entity are measured using that functional currency. The Group's financial statements are prepared and presented in in Pounds sterling, which is its functional currency.

Foreign Currency Transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Foreign exchange differences arising on translation are recognised in profit or loss. The subsidiaries are accounted into Madagascar local currency i.e., Malagasy Ariary. For the purpose of consolidation, the year-end assets and liabilities are converted at closing rate and all income statement items are converted using average rate for the year. The difference arising on such is passed through Other Comprehensive Income and Foreign Exchange Reserves.

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 intangible asset 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.

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 at a project that was under construction, all assets included in “Assets Under Construction” are transferred into “Property, Plant and Equipment”. It is at this point that depreciation/amortisation commences over its useful economic life.

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

*It includes mine developments assets, furniture & fixtures land lease assets, engineering centre and similar assets that are not included in Plant and Machinery.

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.

Mining Exploration and Evaluation

The Company carries out exploration and evaluation activities whenever required with the help of company's consultant and in house geologists to determine if the exploration results returned during the period warrant further exploration expenditure and have the potential to result in an economic discovery. The amount of expenses incurred are towards pumping and manpower which are small in amounts and company's charges the same to income statement and does not recognise separate asset under IFRS 6, since company finds it immaterial to show it as recoverable asset. During the year, amount of £1,659 (2022: Nil) is charged to income statement in the nature of research and development expenses.

Intangible assets recorded at fair-value on business combination

The Company acquired two entities located in Madagascar which are its current operating assets. These assets are acquired as part of a business combination. 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 treated in the form of intangible exploration asset. The Company sees no reason for any impairment in the value of such intangible exploration asset and thus carry's the same as an asset in its financials at present. The Company will continue to assess this in its future financial statements and if and when prudent, may consider reclassifying it to mine development asset.

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.

Trade and Other 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 ("FVTPL") 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 financial assets are subsequently measured at amoritized cost except for assets recognized at FVTPL.

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 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, 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 based on the rate at it which has secured borrowing 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 interest bearing 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.

Convertible Loan Notes are recorded at their issue price. 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. The Company has issued Convertible Loan note during the year and in past. In reference to the Company's specific circumstances and financial position, the convertibility offering within the CLN's document is not assessable as a component in exchange of a lesser coupon. The Company's policy on the conversion option provided to the CLN subscribers was in exchange of not getting to the direct equity placement, with conversion defined at a premium to the price of the Company's shares at the time of issue of CLN's thus reducing possible dilution for its existing shareholders. Thus, the equity component of CLN's is not accounted for as it is not considered to be material to the financial statements.

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

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

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. The Company's Lease Liability is recorded.

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.

4. Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with UK adopted IAS 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. The Company uses factors like estimated quantity of production and sales, basket price, variable cost per ton, fixed costs, discounting rate and working capital changes to judge the impairment of assets. The company has done impairment testing taking in consideration for 10 years and not 5 years as suggested by standard, because company believes it is in project development stage and it will eventually take that sufficient time to explore mine resources and get out economic benefit of it.

Production assets

In accordance with the accounting principles and standards followed by the Company under the relevant standards, we have conducted an assessment of our capital assets to determine if there are any indicators of impairment in the carrying value of capital assets as at 31 March 2023. We are pleased to report that as of 31 March 2023, there are no indications of impairment for our capital assets.

Components of capital assets of the Company including exploration assets, drilling and mining equipment, processing plant and equipment, Infrastructure and project development etc and form a significant component of our balance sheet. These play a vital role in generating current and future economic benefits for the company. These assets have been valued appropriately, considering their expected useful lives.

The total value of capital assets of the Company as at 31 March 2023 was as below:

a. At Cost : £ 13,490,367
b. Book value : £ 11,198,437

We regularly monitor various factors that could potentially affect the value of our capital assets, such as changes in market conditions, technological advancements, legal or regulatory changes, and physical damage. An assessment of impairment of production assets has been carried out by the Company considering whether the net losses of the Company have impaired its production assets and whether the net present value of the production assets is lower than its book value and has come to the conclusion that there is no impairment in the value of its production assets.

Impairment of intangible assets

The intangible exploration assets of the Company relate to the excess of consideration paid over the book value as acquired at the time of acquisition of the assets the Company holds in Madagascar, which stood at £3,599,065 as at 31 March 2023 (2022: £3,571,196). 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. The company holds c.33 square kilometres of flake graphite mining permits for forty years. Currently the Company has reported mineral resource estimates for only about 30% of identified mineral bearing zones. The Company sees no indictors of impairment under IFRS6 as the licences remain valid and further exploration is planned. The Companies net present value assessments in relation assets show significant higher potential as compared to the Book Value of the assets. Hence, the Company finds no justification for impairment to be charged.

Useful economic lives of property, plant and equipment

The annual depreciation charge for different asset classes under property, plant and equipment are charged considering the relevant factors to that asset class. For all asset classes depreciation is accounted for on the basis of norms set under the local regulations which is in the range of 10 to 25% depending on the asset type signifying useful life of 10 years or below. The Company has no reasons to believe that the useful life of the assets is below these. Thus, at the year end, Company assessed that there is no requirement of changing the useful economic life of its assets.

In regard to Mine Development assets which is also a part of property plant and equipment, this contains expenses relating to costs incurred for determination of availability of graphite deposits, ore resources and expenses related to developments of mining for the purpose of providing raw material to the processing plants that have been set up by the Company at its projects. The Company adapted an unconventional path for its development the gist of which is as below:

a. Alongside continuation of exploration, it evolved a development path utilising its internal expertise. This path envisaged modular development of production capacities alongside continuation of graphite resources estimations made under JORC 2012 standards.
b. In 2019, SRK consulting assessed the first set of activities performed by the company for the purpose of resource determination and the CPR defined resources in the projects under Inferred and Indicated categories.
c. According to conventional approach for development of mining activities, this CPR was not enough for setting up mining and processing facilities, but the Company preferred to commence development of the projects on the back of its own expertise.
d. The development is also staged, and the capacities installed by the Company to date are more of less 35% of the total that it intends to install at these projects.
e. Given that the Company initiated production activities it prudently preferred to account for amortisation of mine development assets.
f. Since no ore reserves are established by the CPR and ongoing investments continue in Mine Development arena it is not in accordance with usual practices that the Company could consider quantitative amortisation of the costs incurred under the head.
g. The Company therefore preferred to assess what will be the minimum worst-case life of mine on its operations and this was assumed as 10 years for worst case scenario.
h. The Company therefore adopted a flat 10% annual rate of Amortisation for the Mine Development Assets for the past years.
i. It is important to note that costs under this head will continue to be incurred till such time that the Company continues its exploration activities and will ultimately culminate into an updated Competent Person Report engaged by the Company.
j. At this stage the Company may prudently consider to change its method of amortisation of the Mine Development assets based on quantitative considerations if it is so prudent to do.

Intragroup receivables

The Company assessed the recoverability of intragroup receivables, and it does not require any impairment adjustment in current financial year. This on the basis that the subsidiaries have remained in investment mode until end of this year and it is only now that the opportunity to produce at a annual rate that leads to profitability of the subsidiaries have been achieved. The Company shall review this status further at the end of FY24 to assess further on Intragroup receivables.

b) 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.

c) Recoverability of VAT

The Company has been regularly receiving VAT refunds generally in 3-6 months of time and believes that the balance standing of GBP 1,058,832 in Trade and other receivables will be recovered in due course. Hence there is no requirement of writing off such assets.

d) Going Concern

The financial statements have been prepared on the basis that the Company remains a going concern. The management's judgement are based on the Company's current stage of development and estimated future cash flows from operation and the ability of the Company to raise funds if the need so be. The auditors have preferred to include a material uncertainty in relation to going concern in their audit opinion.

e) Capitalisation of Costs for development

The Company does not employ any Engineering and Construction contractors for development of its projects and conducts mine and infrastructure development activities also using its in house resources including mining equipment fleet and human resources. During the year the Company executed extensive development activities across its projects along with operations of the facilities that were completed. Adopting conservative principles for capitalisation, the management uses its judgement for capitalisation of reasonable part of those resources that are used in development activities.

5. 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:

2023	USA	Europe	Africa	Asia	Total
Revenue from external customers	40,289	717,786	36,024	2,095,912	2,890,010
Timing of recognition:					
At a point in time	40,289	717,786	36,024	2,095,912	2,890,010

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

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

	2023 £	2022 £
Customer A	895,809	224,033
Customer B	471,867	488,330
Customer C	408,780	287,247
Customer D	339,710	430,429
Customer E	292,414	-

Revenues of approximately £ 2,408,580 (2022: £1,430,039) are derived from 5 customers who each account for greater than 10% of the group's & company's total revenues.

6. Cost of Sales

	2023	2022
	£	£
Expenses included in Cost of Sales:		
Mining & Processing Costs	1,512,563	935,064
Human Resource Costs	326,783	378,671
Logistics Utilities & Plan Admin Costs	368,061	308,278
(Increase)/Decrease in Inventory of Inputs	(676,058)	(485,357)
	1,531,349	1,137,196

7. Expenses by Nature

	2023 £	2022 £
The following items have been included in arriving at operating loss		
Depreciation on other assets	242,663	565,079
Net foreign exchange gain	(256,927)	(95,171)
PR/IR Expenses	118,865	131,885
Professional Fees	223,460	124,454
Insurance	127,617	27,941
Director Emoluments	362,042	355,000
Management Salary	405,793	569,179
Brokerage	93,125	-
R&D Expenses	82,807	-
Other Admin Expenses	958,421	606,293

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	82,500	55,000
Fees payable to the Company's auditor and its associates for other services:	-	-
Corporate finance services	-	-

8. Employee Information

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

	2023	2022
Number of employees for the year:	474	290
	£	£
Wages & salaries (for the above employees)	1,088,599	1,118,892
Social security costs	90,123	40,485
Share based payments	-	-
	1,178,722	1,159,377

Directors' remuneration and transactions

	2023	2022
	£	£
Directors' remuneration		
Emoluments and fees (gross of capitalisation)	482,042	764,000
	£	£
Remuneration of the highest paid director (gross of capitalisation):		
Emoluments and fees	320,000	320,000
Payment in lieu of retirement benefits	30,000	30,000
Bonus	-	264,000
Share based payments	-	-

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

9. Finance Cost

	2023	2022
	£	£
Interest Expense	251,641	140,209

10. Income Tax

	2023	2022
	£	£
Loss on ordinary activities before tax	(2,357,910)	(1,971,757)
Loss on ordinary activities multiplied by weighted average tax rate	(459,792)	(384,429)
Minimum tax in Madagascar	9,775	5,946
Tax on disallowed items	47,812	157,164
Tax losses carried forward (deferred tax not recognised)	411,981	173,048
Net tax (credit) / charge	9,775	(48,271)

Current tax charge	9,775	5,946
Deferred tax (credit)/charge	-	(54,217)
Net tax (credit)/ charge	9,775	(48,271)

The Group has tax losses available to be carried forward and used against trading profits arising in future periods of £6,430,959 (2022: £4,371,054). A deferred tax asset of £1,286,192(2022: £837,841) 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.

From 1 April 2023 the corporation tax rate increased to 25% for companies with profits of over £250,000. A small profits rate has also been introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. From this date companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate.

The Company is loss-making at present and an assessment of the impact of the change in future tax rates is not possible at this stage.

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.

	2023	2022
Continuing operations:		
Loss attributable to equity holders of the Company (£)	(2,367,685)	(1,923,486)
Weighted average number of ordinary shares in issue	91,466,033	85,876,108
Loss per share (pence)	(2.59)	(2.24)

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.

12. Intangible Assets

Group		
Cost		£
At 1 April 2021		3,682,354
Additions		-
Forex Change		(111,158)
At 1 April 2022		3,571,196
Impairment		-
Forex Change		27,869
At 31 March 2023		3,599,065

Accumulated amortisation		
At 1 April 2021		-
Charge for the year		-
At 1 April 2022		-
Charge for the year		-
At 31 March 2023		-
Net book value		
At 1 April 2021		3,682,354
At 1 April 2022		3,571,196
At 31 March 2023		3,599,065

Intangible assets comprise of excess of purchase consideration paid in the acquisition of subsidiaries.

The projects in Madagascar have a current JORC compliant mineral ore resource of 25.1 million tonnes which contains c.4% average grade of graphite content. Further exploration across the two projects is ongoing. The company has drilling resources to be explored and believes that an economic target will be achieved in future years hence impairment is not recognised. The Directors 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 2023.

13. Investments

Company	Shares in group undertaking
Cost	£
At 1 April 2021	3,539,448
Addition	361,575
At 1 April 2022	3,901,023
Addition	20,325
At 31 March 2023	3,921,348

Net book value	
At 1 April 2021	3,539,448
At 1 April 2022	3,901,023
At 31 March 2023	3,921,348

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

Subsidiaries

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*

*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	95*

* Tirupati Resources Mauritius was liquidated on 28th May 2021 and the shares are transferred to Tirupati Graphite Plc. Balance 5% is held by Mr. Shishir on behalf of the Company

14. Property, Plant and Equipment

Group	Plant and Machinery	Infrastructure & Fixtures*	Assets under construction	Total
	£	£	£	£
Cost				
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 1 April 2022	5,778,410	2,004,824	632,029	8,415,263
Additions	2,758,118	422,381	1,894,605	5,075,104
Reclassification	-	2,300,000	(2,300,000)	-
At 31 March 2023	8,536,528	4,727,205	226,634	13,490,367
At 1 April 2021	401,254	92,809	-	494,063
Depreciation	482,641	82,438	-	565,079

At 1 April 2022	883,895	175,247	-	1,059,142
Depreciation	990,125	242,663	-	1,232,788
At 31 March 2023	1,874,020	417,910	-	2,291,930
Carrying amount				
As at 1 April 2022	4,894,515	1,829,577	632,029	7,356,121
As at 31 March 2023	6,662,508	4,309,295	226,634	11,198,437

Company	Assets under construction £	Total £
Cost	£	£
At 1 April 2021	204,631	204,631
Transfer to Subsidiary	(204,631)	(204,631)
At 1 April 2022	-	-
Additions		
At 31 March 2023	-	-
At 1 April 2021	-	-
Depreciation	-	-
At 1 April 2022	-	-
Depreciation	-	-
At 31 March 2023	-	-
Carrying amount		
As at 1 April 2022	-	-
As at 31 March 2023	-	-

Note: Infrastructure & fixtures includes mine development assets 2023: £1,492,474 (2022: £737,396) and right of use assets 2023: £ 58,599 (2022: £51,998)

15. Trade and Other Receivables

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade receivables	710,600	532,370	710,600	532,370
Advance for Capex	287,039	2,592,163	287,039	2,592,163
VAT Refunds	1,058,832	942,458	7,451	12,274
Other debtors	50,209	106,423	-	2,898
Prepayments	16,424	69,220	16,424	99,221
Amounts owed by group undertakings	-	-	17,559,350	10,619,721
Advance for Acquisitions*	2,632,525	-	2,632,525	-
	4,755,629	4,242,634	21,213,389	13,858,647

*Note: Amounts advanced to Battery Minerals Limited in terms of agreements entered into for securing placement of bank guarantee and payment of capital gains tax so as to facilitate the approval for completing the acquisition.

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 30-60 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 2023	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	710,600	-	-	-	-
Loss allowance	-	-	-	-	-

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	-	-	-	-	-

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 2022 & 31 March 2023.

16. Inventories

	Group	
	2023	2022
Cost and net book value	£	£
Raw materials and consumables	457,997	563,923
Finished and semi-finished goods	928,561	168,351
	1,386,558	732,274

17. Trade and Other Payables

Current:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade payables	1,084,991	548,906	243,500	188,534
Social security and other taxes	48,913	18,817	-	-
Amounts due from group	-	-	-	-
Accruals	550,994	163,146	491,940	126,673
	1,684,808	730,869	735,440	315,207

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

Non-current:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Lease liability	31,080	31,232	-	-
	31,080	31,232	-	-

The Company has taken land on lease for Vatomina project for 18 years hence, there is no current maturity.

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	
	2023	2022
	£	£
Addition in lease liability & ROU asset	6,601	21,521
Interest charged during the year	3334	6,590
Amortization of Right to use asset (Incl. in Infrastructure & fixtures)	2,643	1,955

18. Provisions and Commitments

No provisions have existed within the financial year or persist at year end. As regard the Company's capital commitments, the ongoing development at its projects are substantially completed and further developments will be made post further funding arrangements. The acquisition of Suni Resources are commitments to be satisfied in equity consideration.

19. Borrowings

The Company has issued two series 2019CLN's and 2022CLN's both carrying coupon of 12% payable half yearly and convertible at the holders' option at issue price as defined in the underlying instrument, key terms thereof being as below:

Term	CLN2019	CLN2022
Coupon	12% payable half yearly	12% payable half yearly
Maturity	3 years from issue date (verbally agreed to extend the maturity date to 31st December 2024 post yearend)	3 years from date of issue
Conversion	At the holders' option	At the holders' option
Conversion Price	£0.45 per ordinary share being the IPO fund raise price per ordinary share	£0.60 for year 1 £0.75 for year 2 £0.90 for year 3

During FY23 the Company received conversion notice for £100,000 under the 2019CLN's which were converted into equity. The Company raised gross proceeds of £1,862,500 under the 2022CLN with transaction cost incurred of £93,125 being incurred. The tables below summarise the balances on the closing date and changes during the year. Optiva Securities Ltd is eligible to receive 5% warrants of subscribed CLN2022 at issue price of 90p.

	2023	2022
Within one year	909,000	536,000
Between 2 and 5 years	1,862,500	473,000
	2,771,500	1,009,000

Following table denotes changes in borrowings:

	2023	2022
Opening Balance as on 1st April	1,009,000	1,283,000
Issued during the year	1,862,500	-
Redeemed/Converted during the year	(100,000)	(274,000)
Closing Balance as on 31st March	2,771,500	1,009,000

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

	2023 Number	2023 £	2022 Number	2022 £
Allotted, called up and fully paid				
Ordinary shares of 2.5p each	1,01,447,768	2,536,195	86,939,832	2,173,497

Shares were issued during the year as follows:

	Cost of issue (£)	Number of shares issued
Shares issued on conversion of CLNs on 03 Oct 2022	-	222,222
Shares issued from a placing on 05 Dec 2022	250,000	14,285,714
	250,000	14,507,936

Note: The cost of issue of £ 250,000 was settled against consideration of equity raised and it is debited to the share premium account. Optiva Securities Ltd is eligible to receive 5% warrants to subscribe at issue price of 35p per warrant for the transaction.

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.

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 2023:

Grant Date	Expiry Date	Exercise Price (£)	Number of warrants exercisable and outstanding
31 December 2017	31 December 2025	0.300	1,000,000
31 December 2018	31 December 2025	0.400	1,520,000
31 March 2019	31 March 2025	0.400	320,000
31 December 2019	31 December 2025	0.400	1,620,000
31 March 2020	31 March 2025	0.400	480,000
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
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	5,913,348

The Company extended the expiry date of 4,940,000 warrants from 2022 to 2025 issued to Directors. This amounts to modification of terms of warrant under IFRS 2 – Share Based Payments, the impact of such modification is not material and therefore management has not accounted for such modification.

Optiva Securities Limited is eligible for issue of following share warrants during the year, but these have not yet issued:

Eligibility Date	Expiry Date	Exercise Price (£)	Eligible number of warrants
05 December 2022	05 December 2025	0.350	714,285
08 August 2022	08 August 2025	0.900	103,472
		Total	817,757

The Company has not accounted for the warrants granted as they have not been formally issued and the cost of such warrant is not material.

Following table denotes changes warrants outstanding:

	2023	2022
Opening Balance as on 1st April	6,630,491	6,784,778
Issued during the year	-	222,222
Exercised during the year	-	(376,509)
Expired during the year	(717,143)	-
Closing Balance as on 31st March	5,913,348	6,630,491

In FY23, 640,000 warrants issued to management executives and 77,143 to brokers have expired.

Warrants issued to	Number of warrants outstanding	Warrant reserve £

Brokers	528,904	16,138
Members of the Board & executive management	4,940,000	54,566
CLN Investors	444,444	45,361
Total	5,913,348	116,065

During the year, total of 640,000 warrants issued to management executives and 77,143 to brokers have expired for which £14,173 is reversed back to retained earnings account and £319 is reversed back to Share premium account respectively.

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 2023 £	Fair value 2023 £	Book value 2022 £	Fair value 2022 £
Financial assets					
Cash and cash equivalents	(a)	289,338	289,338	1,534,023	1,534,023
Loans and receivables, net of impairment	(a)	4,755,629	4,755,629	4,242,635	4,242,635

Total at amortised cost		5,044,967	5,044,967	5,776,658	5,776,658
Financial liabilities					
Trade and other payables	(a)	1,684,808	1,684,808	730,869	730,869
Borrowings and provisions	(a)	2,771,500	2,771,500	1,009,000	1,009,000
Lease Liabilities	(a)	31,080	31,080	31,232	31,232
Total at amortised cost		4,487,388	4,487,388	1,771,101	1,771,101

Fair value of financial assets and liabilities for the company

	Valuation, Methodology and hierarchy	Book value 2023 £	Fair value 2023 £	Book value 2022 £	Fair value 2022 £
Financial assets					
Cash and cash equivalents	(a)	130,340	130,340	1,505,410	1,505,410
Loans and receivables, net of impairment	(a)	21,213,389	21,213,389	13,858,647	13,858,647
Total at amortised cost		21,343,729	21,343,729	15,364,057	15,364,057
Financial liabilities					
Trade and other payables	(a)	735,440	735,440	315,207	315,207
Borrowings and provisions	(a)	2,771,500	2,771,500	1,009,000	1,009,000
Total at amortised cost		3,506,940	3,506,940	1,324,207	1,324,207

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 2023.

The Group considers its maximum exposure to be:

	2023 £	2022 £
Financial assets		
Cash and cash equivalents	289,338	1,534,023
Loans and receivables, net of impairment	4,755,629	4,242,635
	5,044,967	5,776,658

The company considers its maximum exposure to be:

	2023 £	2022 £
Financial assets		
Cash and cash equivalents	130,340	1,505,410
Loans and receivables, net of impairment	21,213,389	13,858,647
	21,343,729	15,364,057

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 2023	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	1,684,808	-	1,684,808			
Borrowings	2,771,500	-	909,000	-	-	1,862,500
Lease Liability	31,080	-	-	-	-	-
31 March 2022						
Non–derivative financial liabilities						
Trade and other payables	730,869	-	730,869	-	-	-
Borrowings	1,009,000	-	116,000	420,000	473,000	-
Lease Liability	31,232	-	-	-	-	-

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

31 March 2023	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	735,440	-	735,440			
Borrowings	2,771,500	-	909,000	-	-	1,862,500
31 March 2022						
Non–derivative financial liabilities						
Trade and other payables	315,207	-	315,207	-	-	-
Borrowings	1,009,000	-	116,000	420,000	473,000	-

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.

Group	USD 2023 £	MGA 2023 £	USD 2022 £	MGA 2022 £
Cash and cash equivalents	66,652	158,386	19,405	18,550
Trade & other receivables	997,639	1,101,590	3,127,431	1,003,709
Trade & other payables	(243,500)	(949,368)	(188,534)	(415,662)
Net Exposure	820,791	310,608	2,958,302	606,597

Company	USD 2023 £	USD 2022 £
Cash and cash equivalents	66,040	9,342
Loans to subsidiaries	15,153,109	9,797,683
Trade & other receivables	6,060,281	3,949,469
Trade & other payables	(578,315)	(224,937)
Net Exposure	20,701,115	13,531,557

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.

2023	Group £	Company £
GBP:USD exchange rate increases by 10%	82,079	2,070,112
GBP:USD exchange rate decreases by 10%	(82,079)	(2,070,112)

GBP:MGA exchange rate increases by 10%	31,068	-
GBP:MGA exchange rate decreases by 10%	(31,068)	-

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)	-

23. Related Party Transactions

PranaGraf Materials and Technologies Private Limited (Formerly known as Tirupati Speciality Graphite Private Limited) is an entity incorporated in India. The Company is connected to TSG in that both Shishir Poddar and Hemant Poddar were directors and shareholders of TSG during the year. At year end, a net amount £333,253 (2022 - £1,567,693) was receivable towards sale of goods with none overdue. Revenue earned during the year amounted to £895,808 (2022 - £287,247), the Company purchased capital goods and consumables of £1,764,805 (2022: £1,484,087), and incurred service fees of £290,287 (2022: £235,795) towards back office services received. Reimbursement of expenses of £204,220 (2022: £143,334) towards travel and other expenses for the executives of the Company was made during the year.

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 of £287,039 (2022: £230,624) was receivable being advance paid for long lead machinery purchase and the Company purchased proprietary graphite processing machinery and spares of £861,368 (2022: £1,132,398) during the year.

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 was 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 £343,125 (2022 : £440,000) and brokerage and consultancy fees prepaid of £ Nil (2022: £6,250)

24. Deferred Tax Assets

	2023	2022
Brought forward DTA	75,242	21,182
Created/(reversed) during the year	-	54,217
Forex	(1,196)	(157)
Carried forward DTA	74,076	75,242

25. Events after the Reporting Period

Acquisition of Suni Resources

On 1 April 2023 the Company completed the acquisition of Suni Resources SA a private Company incorporated in Mozambique, which holds two advanced stage graphite projects being:

(i) the Montepuez Project which holds the mining licence over an area of 3,667 hectares with JORC 2012 defined reserves & resources of almost 120 million tons; plus

(ii) the Balama Central Project, which has a mining licence over 1,543 hectares with JORC 2012 defined mineral reserves and resources of 33 million tonnes. Both projects have licences permitting build out to an annual production of 100,000 and c.58,000 tons of flake graphite respectively.

Under the terms of the SPA and IP Assignment as varied, the total aggregate consideration for the Acquisition is satisfied as follows:

- The issue of 10,046,556 TG ordinary shares of £0.025 each to BAT covering a sum of AUD$9,750,000 (c.£5,284,500) at an issue price of £0.526 per ordinary share in two equal tranches as follows:

  - 5,023,278 TG ordinary shares of £0.025 each issued at Completion (the "Tranche 1 Consideration Shares"); and
  - 5,023,278 TG ordinary shares of £0.025 each to be issued on the eight month anniversary of Completion (the "Tranche 2 Consideration Shares").
- Payment of a sum of AUD$5,428.14 in cash at Completion pursuant to the SPA.
- The payment of a sum AUD$500,000 (c.£0.27 million) in cash paid by the Company to BAT on 25 January 2023 pursuant to the IP Assignment.
- The issue of 2,018,944 ordinary shares of £0.025 each to BAT at Completion covering a sum of AUD$994,571.86 (£539,058) at an issue price of £0.267 per ordinary (the "IP Consideration Shares").
- Payment of a sum of AUD$2,375,000 (c.£1,260,150) that has been made pursuant to the variations of the SPA to facilitate the payment of Capital Gains Tax by BAT in connection with the disposal of Suni in consideration for which Suni agreed:
  - to a AUD$1,250,000 (c.£677,500) reduction in the value of Consideration Shares to be issued as consideration under the SPA from AUD$11,000,000 (c.£5,962,000) to AUD$9,750,000 (c.£5,284,500);
  - to the Company retaining the right to the VAT Refunds due to Suni for historical spends by BAT and amounting to c.AUD$ 1.5 million (c.£810,000).

The Acquisition includes the entire equity capital of Suni (with 7,256 out of 241,868,268 of Suni shares in issue held by the Executive Chairman of the Company as nominee on behalf of the Company to satisfy local Mozambique requirements), shareholder debt advanced by Battery Minerals Limited to Suni Resources S.A. and the Battery Technical Information. Details of the assets acquired are set out below:

- Mining license over an area of 3,666.88 hectares for the Montepuez Project vested with a JORC 2012 mineral reserves and resources totalling 119.60 million tons with license to build the project to 100,000 tons flake graphite production per annum in 2 stages of 50,000 tons each.
- All infrastructure and assets on the ground at the construction initiated Montepuez Project including, but not limited to, (i) 100 persons base camp facilities, (ii) the developed construction site for setting up the proposed processing facilities (iii) the well-constructed tailing dam, and (iv) a mobile crusher unit with capacity sufficient for the first 50,000 tons plant as per the Montepuez Graphite Implementation Project document.
- Mining license over an area of 1543.08 hectares for the Balama Central Project vested with a JORC 2012 mineral reserves and resources totalling 32.9 million tons and license to build the project to 58,000 tons flake graphite production per annum.
- Fixed deposits with NED Bank pledged for the issue of Bank Guarantee in connection with the Projects amounting to >c.£2 million including cash remitted to Suni by the Company through BAT amounting c.£970,000 to cover the bank guarantee issued for the Balama Central Project.
- All historical technical information on the projects.
- Rights to the VAT Refunds.

The amount advanced by the company to BAT prior to 31st March 2023 included £970,000 now lying as fixed deposit with NED Bank thus now being an asset of the company against which bank guarantee has been issued by NED bank towards the Balma Central mining license.

Extension of maturity of 2019CLN's

The Company has in issue 900,900 2019CLN's in issue as at 31 March 2023. The maturity of these were pegged at third anniversary from the date of issue and conversion price pegged at £0.45 per ordinary share. The Company engaged with its Brokers Optiva Securities Limited to agree to extending the maturity of the 2019CLN's up to 31 December 2024 so that the Company conserves its resources for its business being in formative stage and so that the investors retain the opportunity to convert for a further period. Optiva has confirmed that it has received consent from all holders of the 2019CLN's for the extension and the Company has agreed to pay a fee of 2% to Optiva for the arrangements. Accordingly, the maturity of 2019CLN's is now considered extended to 31 December 2024.