Tirupati Graphite plc

Annual report and financial statements for the year ended 31 March 2020

Registered number: 10742540

Contents

Company Information

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Chairman's Statement

I am delighted to present before you, the third annual report of your company, summarising the progress we have made in our journey of value creation. We are fortunate to be specialist in an arena that promises to be an important constituent of the "Green Economy". Over the year, we have furthered our vision, sharpened our skills, and achieved milestones that help us progress in our mission. We are now transformed to a "specialty materials" business, and even so, retain and leverage our core strengths of basic resource activity as a key component, providing us the launch pad for the advanced materials world, contributing to a greener planet.

We spelled out our principles of value creation in our first report, shared achievements on our path of progressing it in the second, and today I am happy to share accomplishments in the year passed by, which affirm the strengths which pave the way for our progression;

- The first 3000 tpa primary flake graphite module at the Sahamamy project, established at an industry lowest capital intensity, has completed a year of operations, establishing a c.50% operating margin.
- Our products are now in used in a range of applications including the fast growing hi-tech applications.
- Extensive operations training has led to skill development amongst the in-country employees.
- With reduced waste generation, the technical assessments of by-product sand has established its suitability for global markets. It has been used in house since we started our operations.
- The experience gained from the plant set up in Madagascar has further sharpened our abilities, providing commercial scale operational inputs enabling us to adopt to techno commercial data generated for follow on facilities.
- The process has not been without challenges, each one addressed to success.
- The niche area of expandable graphite is coming our own brand, as we are establishing "CarboflameX®" in the global markets.
- Commissioning of the Patalganga plant has again helped us in sharpening our edge to take bigger leaps in the world of specialty graphite.
- The knowledge gained has led us to add an expansion plan to Patalganga project, pre creating a smaller version of our integrated large-scale plant modules.
- On the materials technology side, our upmarket team continues to improve our "graphene" and work on target applications.
- We have furthered possible collaborations with industry and research centres and connect extensively for adding to our brain pool.

As I write this statement, your management team is tirelessly working to meet all the requirements to enable us launch on one of the most enviable stock exchanges of the globe, and possibly when I stand before you, we would have added many more members to our family. Corporate development has progressed hand in hand with our business development. We will take off on our flight to scale new heights by the day though step by step, an approach that truly differentiates us in the world of corporates.

With these few words, I present before you an account of our progress in the year passed by. We can see us moving ahead in our journey, and build values, as is restated in our Business review. I am again reminded of these golden words from a leader who has won honours from none other than Her Majesty.

"Successful companies don't do different things; they do things differently" – Ratan Tata

Together we can and we will achieve our goals of building a company that will set new benchmarks and be exemplary, with such a conviction, I feel proud leading a team composed of five nationalities at a young age of three.

Shishir Poddar
Executive Chairman & Managing Director

4 October 2020

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 2020.

Since its inception in 2017, Tirupati Graphite Plc (the "Company") has set out on the path of building an integrated Flake Graphite to Graphene business and in its maiden and subsequent Annual Reports for periods ending 31st March 2018 and 31st March 2019 respectively, the Company shared the progress of its project developments and outlined its plans for achieving its business objectives.

Flake Graphite is a key material in the energy storage and green energy applications among others and Graphene, being a single atom layer of a flake graphite crystal, is a material which is widely touted to become one of the largest transformational advanced materials that could be used extensively in applications which could potentially reduce the global carbon footprint.

The Company's primary projects are located among the lesser privileged communities of Madagascar which provides it with the opportunity, through the development of its projects, to uplift the lives of the local and regional communities in which it operates.

The Board is focused on continuing to develop the Company's business and enhance the Company's community and social impact, framing business plans, policies and practices providing management with the insight and guidance to perform and deliver on the Company's business objectives whilst ensuring ongoing focus on value creation in all spheres outlined in our Chairman's statement on Value creation:

- Value creation for the planet and for future generations:
  By developing a unique material which has numerous 'green' applications contributing towards a more sustainable and greener planet for future generations and developing technologies and processes to minimise emission and waste generation.

- Value creation for our employees:
  By providing opportunities for performance and learning, achieving corporate goals and personal development, to inspire quality delivery on the objectives and values we strive for.

- Value creation for the local communities we operate in:
  By looking after our employees and their families and providing health care, education and recreational facilities and support for local communities, helping bring communities together and improving their general quality of life.

- Value creation for our shareholders:
  Through well considered and crafted business strategies and plans, implemented with persistence and determination, and adopting a culture of cost prudence, hard work, and delivering on targets.

Over the period since the previous Annual Report for 2019, the Company has continued to progress with its development plans and successfully achieved various development and operational milestones across its projects and on its corporate activities. Against this background, the Company is pleased to present its detailed Annual Report for year ending 31st March 2020 to its shareholders and members which contains details of the Company achievements throughout the past 12 months.

The Company Board & Management

The Company's Board of Directors offers a diverse and complimentary blend of skills and experience. The Board has continued to demonstrate effective leadership reflecting in the Company's performance. During the reporting period, the Company appointed and additional independent non-executive Director to the Board and the engagement was completed in July 2020.

The Company's executive management team has been built with qualities and capabilities required to deliver on the Company's business objectives which puts the Company in good stead. Further development of management human resources shall continue as the Company progresses.

An introduction to the existing and new Board and senior executive team members is as follows:

SHISHIR KUMAR PODDAR, EXECUTIVE CHAIRMAN & MANAGING DIRECTOR

An entrepreneur, our lead promoter, a strategist in business development, a leader with across the board skills, and a world recognised specialist in flake graphite, Mr. Poddar continues to lead the company to its goals. With over 29 years of success behind him, Shishir has developed multidirectional skills, extensive reach and recognition and continues to lead the Board and Management team.

With his enterprising approach, Shishir has been the visionary behind the foundation and development of the Company, developed its business constituents, trained the human resources for our development, laid the path for the company for its sustainability philosophy, led the inculcation of Environment & Social values and spearheaded the creation of Governance mechanisms in the Company's management. He is widely travelled across the globe, has addressed conferences and seminars around the world on various subjects including flake graphite, sustainable development, sustainable mineral exploitation etc. He has also been the key influencer for our shareholders and attracted investments into the company whilst spearheading the proposed listing of the Company.

Shishir has wide contributions in the sphere of industrial policy and development, has delivered keynote addresses in various forums such as The Parliamentary Committee for Industries, India and as a special invitee of the National Board for MSME, Government of India, he has extensively contributed to the policies for development of the SME sector.

LINCOLN JOHN MOORE, NON-EXECUTIVE DIRECTOR

A new member on our Board, Mr. Moore has been actively involved in establishing and raising finance for African based mining and agriculture projects and currently serves as an executive director of West African based AIM listed Dekel Agri-Vision for the past 12 years, with primary responsibilities for the corporate finance activities of the organisation including equity and debt capital raises. Since his appointment to Dekel in 2013, he has led a number of debt and equity transactions with London, African and international government backed financial institutions. In addition, he currently serves as a non-executive director of Firering Holdings Ltd, a private Cote d'Voire based Tantalum near term mining production project. Mr Moore is a Chartered Accountant and former senior manager in the restructuring division of Deloitte London.

CHRISTIAN DENNIS, NON-EXECUTIVE DIRECTOR

Based in London**,** Christian has been in the field of Investment Banking and Broking for more than 30 years and is connected to a broad set of investors in London, Europe, Australia and Asia. Being CEO and Managing Director at Optiva Securities Ltd, Christian has steered many start - up resource companies to successfully climb the value building ladder.

As a co-founder and promoter, since inception of the Company, he has been a key connect in our financial and corporate affairs. As a NED, he has played a pivotal role in mergers and acquisitions, contributed in various committees of the Board including the renumeration committee, and provided the gravitas to the Company's presence in London's corporate world.

HEMANT KUMAR PODDAR, NON-EXECUTIVE DIRECTOR

A co-founder, Hemant has over 30 years of experience in the flake graphite industry. He is extensively travelled and connected to primary users of the commodity and provides insight for development of the Company. He has also contributed extensively to development of trade and industry with continued involvement in trade bodies and representation in various forums.

RAJESH KEDIA, NON-EXECUTIVE DIRECTOR

A qualified accountant, a financial expert, an investment banker, Rajesh has extensive and diversified experience with over 16 years of experience working in finance and investment banking, mergers and acquisitions and capital raising. He has advised many companies on their growth plans and raising capital on international markets. An ex Morgan Stanley and RBS banker, he is presently engaged as Assistant Director at UK Government Investments Ltd. His contributions to the company's strategy, corporate governance, acquisitions, and contribution to various policies and sub-committees of the Board are recognisable.

We also take this opportunity to introduce some of the key members of the executive management team, recognising their tireless efforts to bring the company to its present stage, and I can vouch, each one of them is a leader contributing extensively to the development of the company and deserves recognition.

PURUVI PODDAR : GROUP HEAD – CORPORATE & BUSINESS DEVELOPMENT

Puruvi graduated from the University of Manchester with a BSc in Material Science and Engineering. She spearheads activities of investor & public relations, corporate development activities, feasibility studies on the company's projects and development of markets. She has deep understanding of the graphite applications and markets, has worked on graphene composites, processing and applications and is further working extensively on development of our specialty graphite & graphene projects. An able leader, at this early stage she has presented on behalf of the Company in global industry conferences, investor meetings, annual general meetings and is extensively involved in corporate and business development activities.

UDAY PRATAP SINGH : CEO – MADAGASCAR PROJECTS

Mr. Singh has over 35 years of diversified experience in the resource industry and project management in India, Africa, Indonesia, Bhutan etc. Well versed with mining codes/regulations of various countries, he has worked on multiple projects in diverse companies. Having worked with Geological Survey of India for about 30 years at multiple executive levels, he has exceptional geological interpretation skills and a huge record of achievements. Mr. Singh is also associated with geologists bodies around the world and has published papers in global forums. Determining resource of diverse minerals and metals, Mr. Singh has been the key man in discovery of the resource in our projects. Mr. Singh has been providing able leadership in the development of the Company's projects in Madagascar since the early days and has extensive recognition in the Malagasy Government.

VIJAY BHAGAT : CEO - SPECIALTY GRAPHITE PROJECT

Mr. Bhagat has 38 years of techno-commercial experience and expertise in processing flake graphite into specialty products like expandable graphite for hi-tech applications. Alongside his extensive reach in the specialty graphite markets, he is highly recognised in the industry for his achievements. Mr Bhagat has published research papers on expandable graphite which he presented in multiple international conferences. With years of experience in establishing and leading operations in this sector, Mr. Bhagat proves to be a dynamic leader with a grip on multiple arenas of the business.

KIEN HUYNH : GROUP CFO

Kien is a mining industry professional with over 20 years' experience in global capital markets and mining finance with senior executive management positions and independent consulting roles for ASX and AIM listed mining companies as well as unlisted companies. He worked in investment banking and corporate & institutional finance for ANZ in Melbourne and London for almost 15 years, thereafter joining Standard Chartered Bank as a founding member of their global Mining & Metals team in London and Singapore. He has worked on a variety of debt and equity financings for clients across EMEA and Australasia in the base metals, precious metals, bulk commodities, coal and steel sectors.

AMEYA GOGATE : CONTROLLER OF FINANCE AND ACCOUNTS

A qualified chartered accountant, IFRS qualified, Ameya has worked on various aspects of corporate finance, capital markets, forecasts and valuations and in the short time span with the company, has extensively contributed to the company's finance and corporate finance activities.

NICHOLAS PETIT JEAN : DIRECTOR ADMIN (MADAGASCAR OPERATIONS)

An engineer in hydraulics with experience in operation of flake graphite, Nicholas is the erstwhile promoter of Etablissement Rostaing holding the Sahamamy project and post its merger with us, leads the administration of the Madagascar projects. With his experience of working in Madagascar he proves to be an added asset for the Company for its Madagascar operations.

We would also like to acknowledge the hard work done by the next layer of the management team who have played instrumental roles in helping the company achieve its goals on the ground.

BHOLA RAM : PROJECT HEAD SAHAMAMY PROJECT

A mechanical engineer with very deep understanding of graphite, its processing, control mechanisms, quality control and operations, Mr Bhola has been the lead at the Sahamamy project since we acquired it and is accredited with bringing it into production, ramping it up and continuing the activities of its development to the next stage.

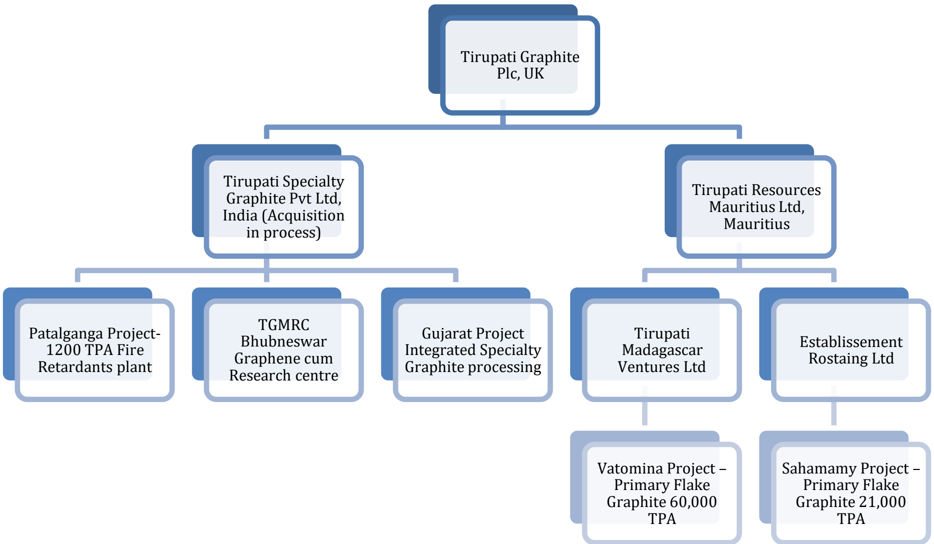
RAHUL JHA : PROJECT HEAD VATOMINA PROJECT

Mr Rahul is a mechanical engineer with expertise in project planning, designing and execution. He has a deep understanding and knowledge about various aspects of graphite processing. He has been in the graphite processing industry for over 5 years and is successfully leading the ground team at the Vatomina Project.

HRIDAY OJHA : ADMIN & FINANCE HEAD – MADAGASCAR PROJECTS

With a master's in finance and administration, Mr Hriday possess excellent management administration & communication skills. The in-country admin head for us, his skill set is versatile helping him effectively lead administration and finance activities on the ground in Madagascar.

Group Structure



Strategic Planning & Targets

The Company is being built on the basis of the following strategies - tailor made considering the dynamics of the graphite industry and the motive to create values:

1. minimise initial and overall investment capital and accelerate production by deriving early stage cash flows for all of the Projects; reduce equity dilution by minimising the need to access the equity markets and maximise shareholder returns;
2. mitigate project development risks through a modularisation strategy, tracking the growth of the graphite and graphene markets and related developments and technological advances;
3. aim for low gestation periods for project development to optimise return on investments;
4. integration across the value chain and organic market development – serving multifarious markets and diverse applications of specialised as well as conventional type;
5. optimising technologies and operations to ensure low costs, higher output and higher margins; and
6. sustainability in all spheres – environment, social and value creation.

Over the past year, the Company has continued progress on its journey of developing into a leading flake graphite to graphene company. With the initial upstream operations at Sahamamy in Madagascar and downstream processing facilities at Patalganga both being completed and commissioned during the period, the Company's operating base was set for a gradual ramp up in production towards the objective of stabilising its operations and achieving full production capacity which was successfully delivered during the period.

With all operational hurdles having been met during the commissioning and ramp-up phase of the initial production facilities, the Company is now ready to move into the next phase of its development which will see a 3-4 fold increase in its production capabilities across both its upstream and downstream operations, as well as the development of its initial graphene production capabilities which introduces the third pillar of its business and delivers on its objective of becoming a fully integrated company in the sector through its upstream, downstream and graphene operations.

Alongside achieving on its development objectives in accordance with its strategic consideration it had set for itself, the Company also made significant advancements on its market development aspirations of continuing to develop and expand its reach and commercial relationships with quality buyers and consumers for its products during the period.

And finally, over a year marked by challenging market conditions with extreme volatility, the Company was successful in significantly advancing its corporate objectives of becoming a listed company on the London Stock Exchange, paving the way to larger scale developments.

Medium-Term Development Plan

Over the period, the Company further refined its development plans tagging it as its Medium-Term Development Plan (”**MTDP**”) depicting the development of each of the business verticals split into distinct development phases out to 2024.

The development of each phase is economically independent, implying that a single phase developed, shall not be dependent for its operations on any subsequent operating modules across any of its business verticals. This gives the Company a high degree of flexibility in determining the most economical development path considering optimising return on its investments.

The table below outlines the specifics components which make-up the Company’s MTDP with regards to a) estimated timing of the developments, b) target commissioning dates of each production module, c) CAPEX budget, d) investment status; and e) notes to explain the expected impact that each production module may have on the Company’s business performance and financial position as they are commissioned.

Tirupati Graphite Plc					
Components of the Medium-Term Development Plan and their impact					
Module Code	Description	Actual / Estimated commissioning Date	CAPEX (£) Budget Estimate	Investment Status	Impact
MP1	3000 tpa primary flake Graphite at Sahamamy Project	Apr-19	£895,000	Incurred	Company demonstrated > 50% Operating margins, GBP 663 basket price realisation
MD1	Patalganga 1200 tpa Flame Retardant Expandable Graphite	Jul-19	£62,000	Incurred	Started generating Operating margins within the Ramp up period
MP2	6000 tpa primary flake Graphite at Vatomina Project	Apr-21	£1,432,000	From IPO Proceeds	Combined 9,000 tpa primary capacity, >50% operating margin & £ 663 bassket price demonstrated by MP1 module
MD2	Patalganga Expansion 4800 tpa integrated Downstream	Oct-21	£2,464,000	From IPO Proceeds	The project once commissioned provides prospects of additional revenues and step forward for specialty graphite business
MG1	Graphene & Technology Centre Stage 1	Oct-21	£1,304,000	From IPO Proceeds	The project once commissioned provides prospects of additional revenues and step forward to graphene and advanced materials business
Total CAPEX across the three Verticles for next modules part of IPO proceeds utilisation			£5,200,000	From IPO Proceeds	The balance of IPO fund raise meets working capital requirements for each project and leaves buffer
Note	The completion of above modules can position the company to operate irrespective of whether further modules are added or not, these modules continue to operate.				
MP3	18000 tpa primary flake Graphite at Vatomina Project	Jan-22	£5,168,000	The company shall consider options for raising capital for these modules at appropriate time	These relate to modules for which investments need to start from April 2021 The company has flexibility to plan timings of each of these modules. Each module being independent, the previously installed operations are not impacted.
MG2	Graphene & Technology Centre Stage 2	Apr-22	£4,925,000		
MD3	Specialty Graphite project Phase 1	Jul-22	£8,419,000		
MP4	18000 tpa primary flake Graphite at Sahamamy Project	Oct-22	£4,648,000		
Note	The completion of above modules signify completion of the second phase of development under the medium term development plan				
MP5	18000 tpa primary flake Graphite at Vatomina Project	Jul-23	£4,076,000	The company has flexibility to alter schedules advancing more profitable modules. These are expected to be internally funded.	Completion to these will mean completion of the Medium Term Development Plan. The company has the opportunity to further expand any of its three business units based on commercial considerations.
MD4	Specialty Graphite project Phase 1	Apr-24	£5,731,000		
MG3	Graphene & Technology Centre Stage 3	Apr-24	£7,075,000		
MP6	18000 tpa primary flake Graphite at Vatomina Project	Jul-24	£4,076,000		

While the budgets, timing and impacts are forward looking estimates, the progress of these plans will depend on various factors both internal and external. This progressive, modular development strategy was developed by the Company's leadership team and included extensive in-house planning, design, engineering and proven processes stemming from years of experience in its areas of business. While the planned timings are indicative and subject to various factors that may impact them, one of the main advantages of the Company's modular development strategy is the significant flexibility it has in determining the timing of implementing its subsequent capex plans to expand its production capacities at all three of its business verticals which enables the Company to prioritise its development to achieve the best commercial outcomes. Depending upon prevailing market and financial conditions, the Company can choose to decelerate its capacity build and reduce its capex to meet cashflow requirements, or should it find it prudent to accelerate its developments ahead of plan due to favourable market conditions, it will be able to adjust its development plans at the opportune time and maximise shareholder value.

Key Highlights over the period

The Company made a number of significant achievements during the period and advanced development across all of its businesses since the last annual report, as highlighted below:

Madagascar Projects - Vatomina and Sahamamy

- Having completed commissioning of the first 3,000 tpa primary flake graphite mining operations and processing plant module at the Sahamamy Project in Madagascar ("Sahamamy Project") in March 2019, production was progressively ramped-up and operations stabilised during the period.
- During the ramp-up period, all key production and operational targets were largely met or exceeded and commercial production was declared by the Company in January 2020.
- Product sales were initiated from May 2019 with shipments made to key buyers and across three continents. A basket price of £658/MT was achieved for FY20 with gross operational margins of 48%
- Sand, produced as a by-product from a novel process developed and successfully implemented by the Company at its operations has undergone initial tests to confirm suitability for construction purposes.
- Post completion of land development at the Vatomina Project in Madagascar ("Vatomina Project"), construction of the 6,000 tpa first plant at the Vatomina Project was initiated during Q1 2019.
- Ground and site preparations for the 6,000 tpa first plant was substantially completed and made ready for erection of the super structure and installation of the process plant equipment. The ancillary facilities at this project were commissioned and are being used for exploration and construction support.
- At the start of the period, the Company engaged the services of highly regarded, global industry consultants, SRK Consultants ("SRK") to develop a joint CPR for both primary flake graphite mining and processing projects in Madagascar.
- SRK's work materially concluded during Q1 2020 and delivered a JORC (2012) Mineral Resource estimate which showed Vatomina containing 18.4Mt @ 4.6%GC and Sahamamy containing a further 7.1Mt @ 4.2%GC, with additional potential to be realised with next stage of exploration.
- The CPR also contained various recommendations to the Company for ongoing exploration and mine planning activities which the Company plans to undertake in the coming period post IPO and work on an updated CPR over the next few quarters to further enhance its exploration assets.
- Environment clearance for building of a road connecting the Sahamamy and Vatomina Projects was also obtained and a survey cum feasibility study for its construction was completed by a local government authorised surveyor
- Environment clearance for a second module of 18,000tpa at the Sahamamy Project was also obtained.
- The Company is now directly employing around 120 people in-country in Madagascar and extensive work has been done for skill development and team building.
- Community Engagement & Welfare program under the Company's Shakuntalam initiative, which is focused on helping the communities tackle and improve on various issues such as health, hygiene, education, skill development etc. has been a continuing focus for the Company during the period.

Downstream & Graphene cum Technology Centre Projects - India

- In July 2019, commissioning of Patalganga Flame Retardant Graphite Project in India was completed with 1,200 tpa flame retardant expandable graphite, and 1,500 tpa flake graphite finishing facilities commencing operations.
- Flame-retardant flake graphite product under brand name 'CarboflameX®' was launched in the European and Indian markets with first sales and shipments of the key downstream product being made to strategic buyers in the market.
- The Company continued to develop customers for its products and obtaining product acceptance status with various buyers with 100% of the target customers it approached to date, given product qualification status to the Company's products.
- Patalganga Project stage II expansion plans were developed during the period to build on the Company's strategy of modular growth aligned with market penetration and to add to the product basket of Patalganga Project ahead of building the larger Specialty Graphite projects, in line with the Company's strategy.
- The stage II expansion at Patalganga will see production capacity increased to 4,800 tpa and will introduce high purity graphite and micronized graphite as well as additional expandable graphite production capabilities for the Company.
- The Company has developed a unique process for manufacturing high purity graphite without using hydrofluoric acid or extensive heat treatment. The process also follows waste to wealth properties.
- During the period, detailed feasibility studies were completed for both the downstream specialty graphite & Technology and Graphene centre projects in India.
- Samples of high purity graphite, made from the pilot tests of the novel zero-hydrofluoric acid developed by the Company, were also tested and approved by various prospective customers globally.
- Trials for spherical graphite production have also begun with targeted high efficiency equipment manufacturers.
- The standardised specifications of the graphene products were released and application development with target industries and universities was initiated.
- Land allocation by the State Government in preferred industrial zones is in progress for both the projects.

UPDATE ON PROJECTS DEVELOPMENT

A detailed account of the Company's development plans and status for each of the Company's project was outlined in the previous annual reports and is available on the Company's website. We provide below an update of the progress made since the last report for each of the projects.

PRIMARY FLAKE GRAPHITE PROJECTS

Since the last annual report, material development activities at Vatomina to establish the initial 6,000 tpa module was constrained generally due to a lack of funding. Despite this, all pre-construction activities at site and ground preparations including laying the foundations for the process plant were completed and is in a construction ready state for the superstructure and installation of process plant equipment.

The Company chose instead to focus its resources on further delineation and enhancement of its geological database by extending its drilling campaign. Additionally, the Company worked with SRK to enhance its mine planning and expand its mineral resources which was presented in SKR's Competent Persons Report ("CPR") published in June 2020.

A summary of the ongoing exploration activities, mine planning and key results from the CPR is as follows:

Exploration activities

The Company's drilling programme to date concluded with the execution of:

- 66 holes of diamond core drilling to varying depths aggregating to 3,128 drilled meters;
- 648 holes (549 at Vatomina and 99 at Sahamamy) of augur drilling with average 8-9 meters depth aggregating to 5,611 drilled meters (4,879 at Vatomina and 732 at Sahamamy);
- 16 trenches and channel sampling of 6 meters depth aggregating to 45 drilled meters; and

- 43 test pits of approximately 6 meters depth aggregating to 225 meters.

Logging of the drill cores, sampling and assays were also performed under the guidance of the CP and 777 samples were sent for analysis to accredited laboratories in India and South Africa. In addition to the drilling campaign, exploratory mining activities were also conducted to generate bulk samples which were used for pilot scale beneficiation studies and metallurgical tests.

With the conclusion of above activities, sufficient data was obtained allowing progress of the resource assessments based on the Company's objectives of i) defining long term Mineral Resources availability in accordance with JORC (2012) for the first two modular plants of combined 9000 tpa flake graphite output and targeting >[10] years mine life for the full scale planned capacity build to 81,000 tpa flake graphite output; and ii) developing an operational raw material mining plan for the initial operations at both projects.

Figure 01: Map showing the location of the pits in Vatomina

Figure 02: Map showing the borehole locations in Vatomina Project

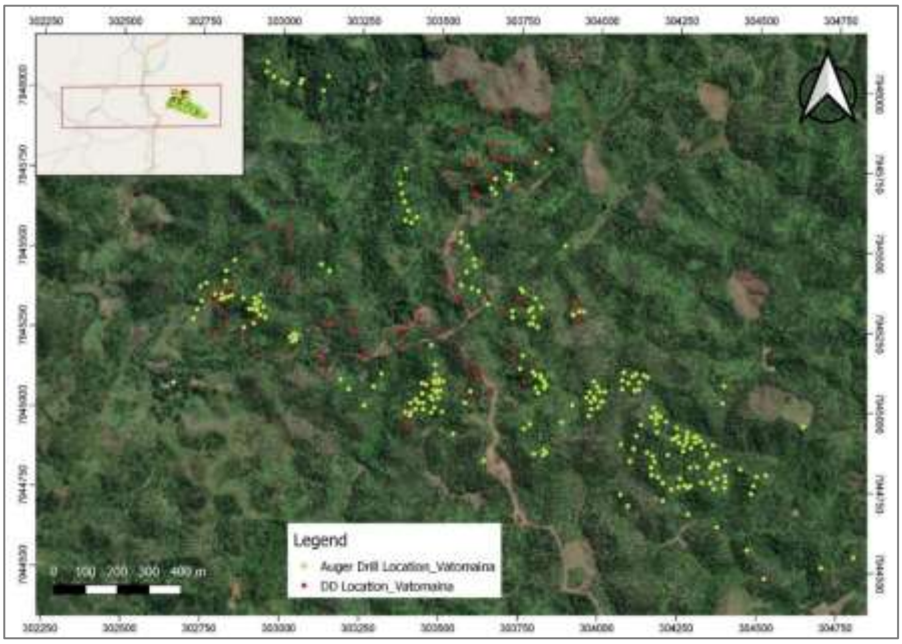


Figure 03: Map showing locations of auger drilling in Sahamamy

3D Geological Modelling

The 3D topographic digital elevation model was constructed using Leapfrog Geo software, based on the topographic survey data, generated by Tirupati using Total Station survey equipment. SRK imported the elevation grid model into Leapfrog Geo software and created the 3D topographic surface with a resolution of 25m x 25m.

SRK undertook 3D geological modelling at both Vatomina and Sahamamy which generated the following images of the deposit areas explored to date by the Company, which is only around 30% of the mineralised zones identified. The geological mapping has assisted with the Company mine planning for production as well as defining priority exploration targets for the next phase of drilling which the Company will be implementing immediately post listing.

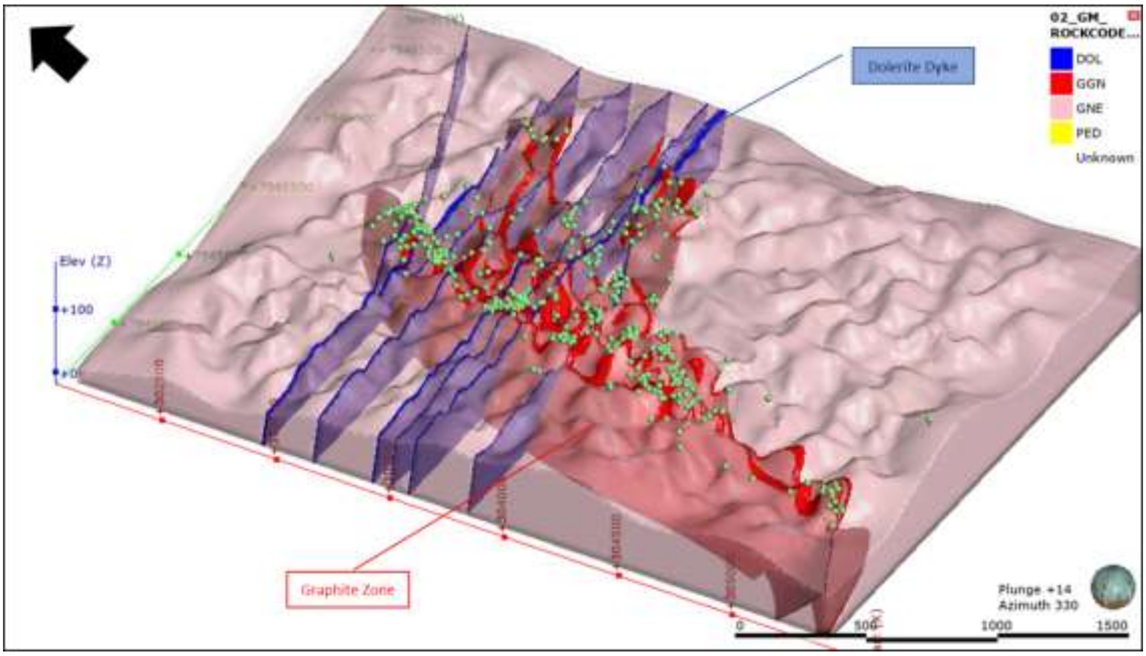


Figure 04: 3D View of the Vatomina Geological Model (Looking Northwest)

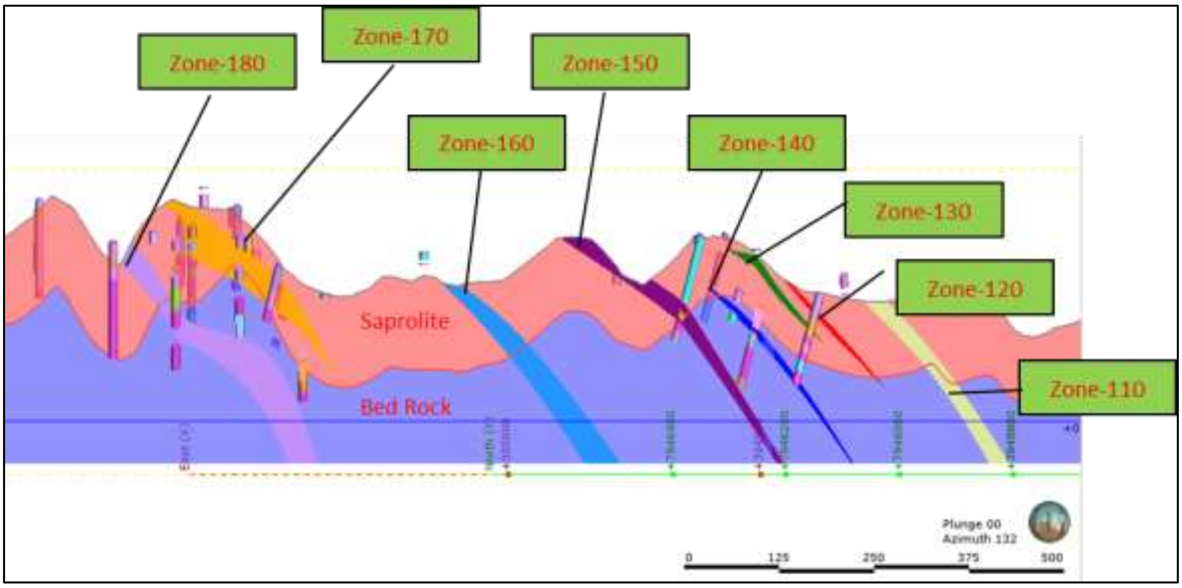


Figure 05: Example Cross Section Reflecting Different Estimation Domains in Vatomina

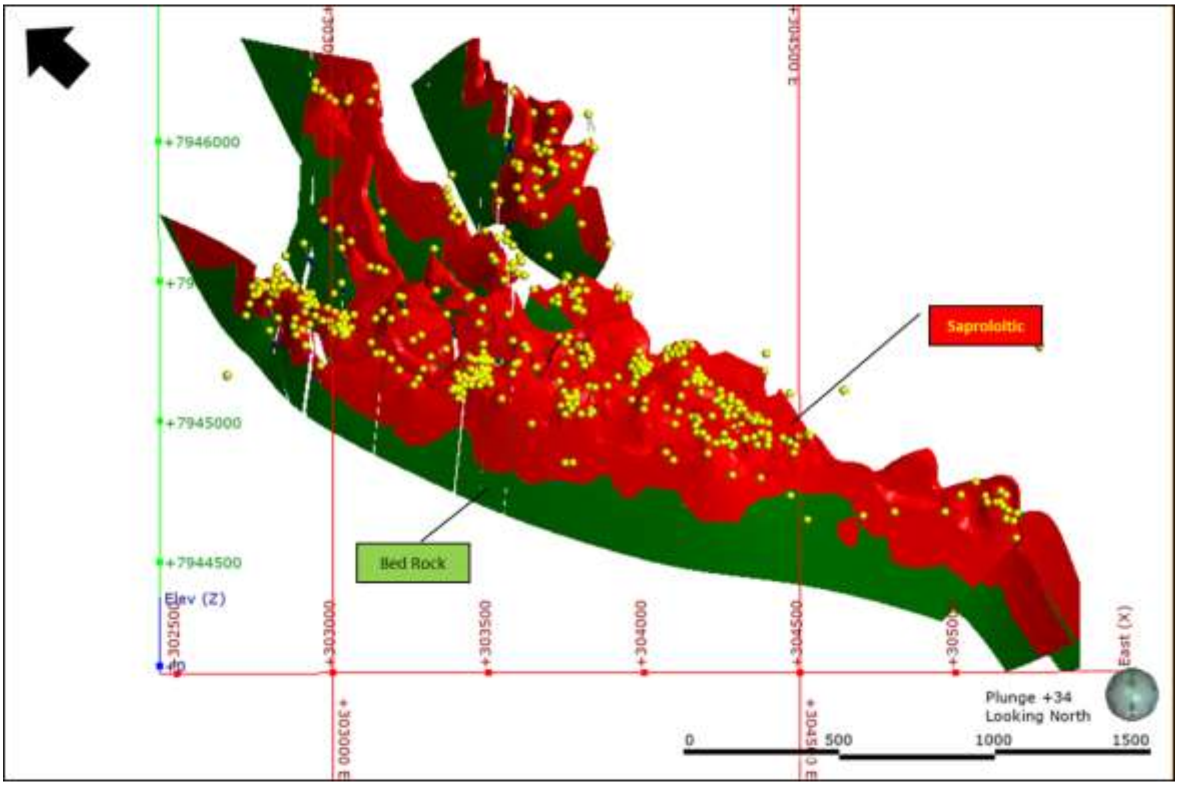


Figure 06: 3D View of the Modelled Graphitic Gneiss distributed in Saprolite and Bed Rock in Vatomina (Looking North)

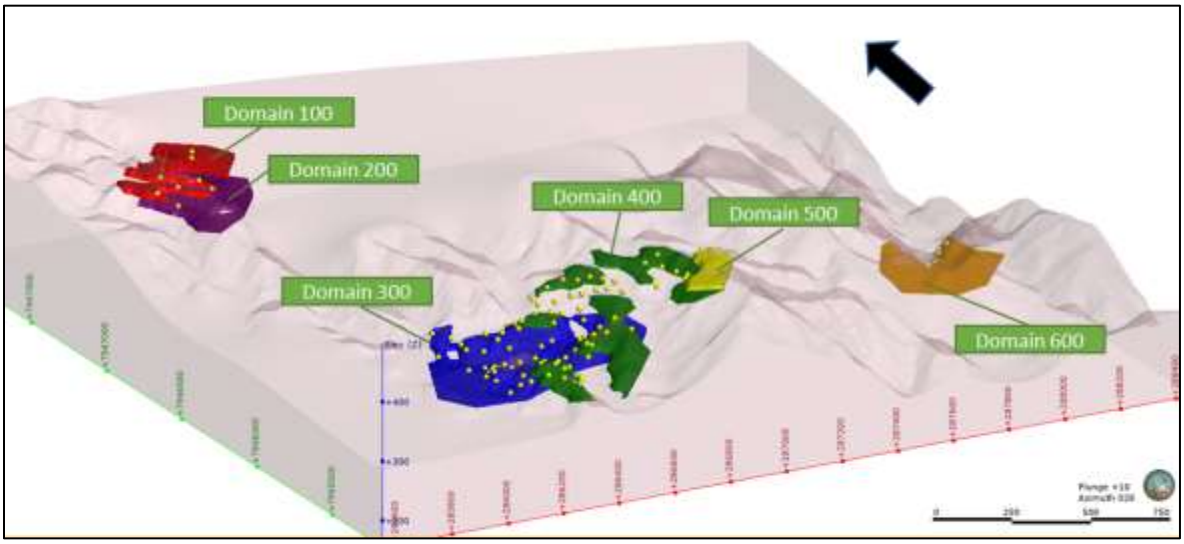


Figure 07: 3D View of the Sahamamy Geological Model (Looking Northwest)

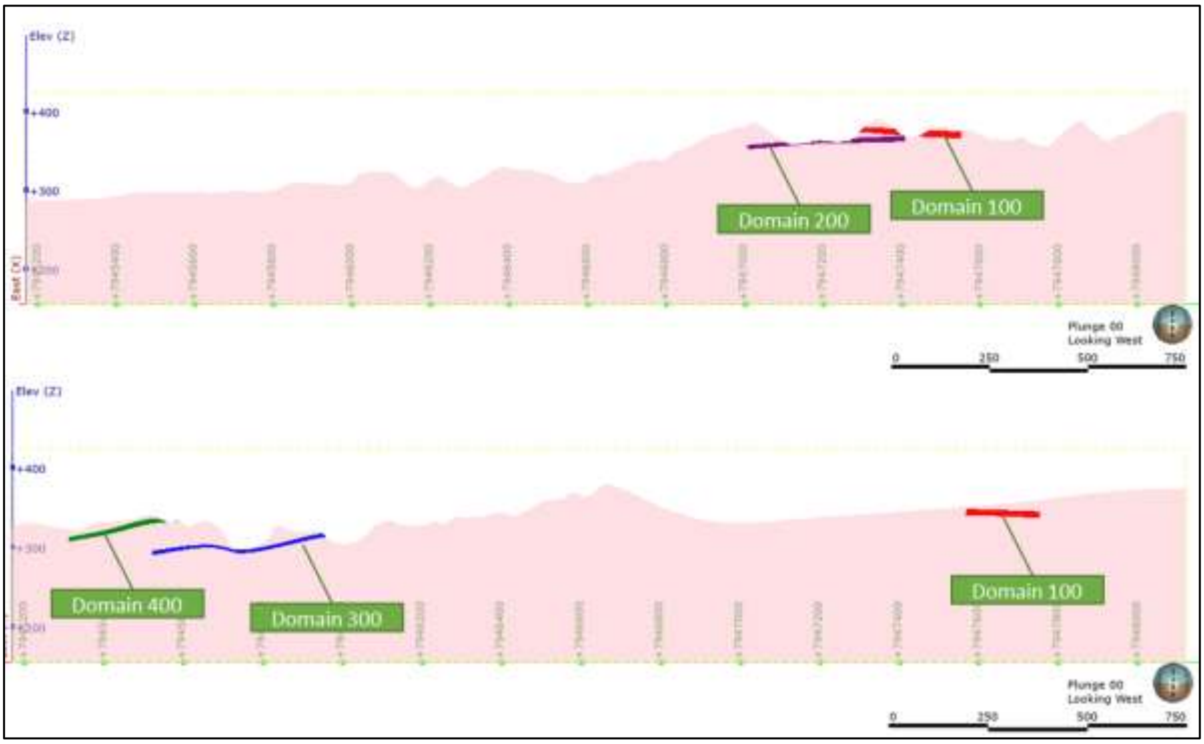


Figure 08: Example Cross Section Reflecting Different Estimation Domains in Sahamamy

Mineral Resource Classification

Another key area of the exploration program was to upgrade the mineral resources classification following the definitions and guidelines of the JORC Code (2012). In determining this, the following factors were considered by SRK:

- the quality, distribution and quantity of data used in the estimation;
- the geological knowledge and understanding, focusing on geological and grade continuity; and
- the quality of the geostatistics and quality of the estimation.

Considering the above, SRK classified the Mineral Resources at Vatomina using the following criteria:

- Indicated Resource – part of domain 110, 120, 130, 140 and 150 that occurs within the saprolitic horizon, where the drilling data are broadly distributed at 100m interval and dominantly consisting of auger holes, the quality of the estimate is defined;
- Inferred Mineral Resource – the remaining part of the above domains and all other domains that falls within the saprolitic zone.

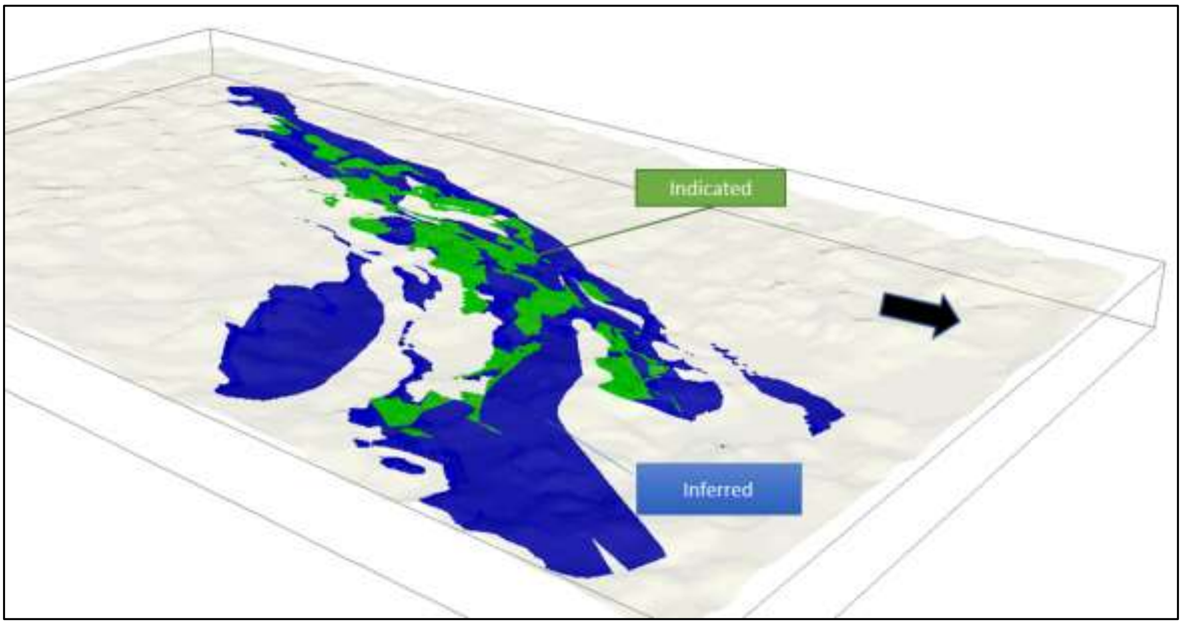


Figure 09: Area of Inferred category resources (Blue) for Vatomina Graphite Project

Using the same considerations for classification, SRK classified the Mineral Resources at Sahamamy using the following criteria:

- Indicated Resource – part of domain 100, 300 and 400, where the distribution of the drilling data is within 100m interval and the quality of the estimate is defined;
- Inferred Mineral Resource – the remaining part of the above domains and all other domains to the extent of the geological model.

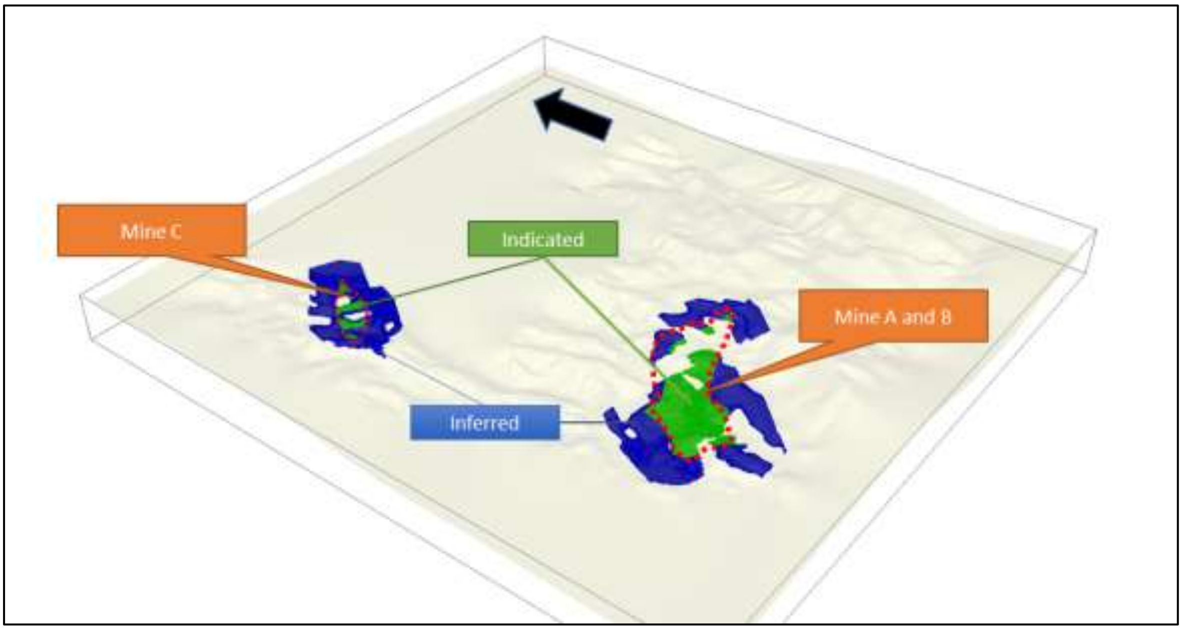


Figure 10: Mineral Resource Classification of Sahamamy.

Mineral Resource Statement

The CPR delivered a JORC (2012) Mineral Resource estimate which showed Vatomina containing 18.4Mt @ 4.6%GC and Sahamamy containing a further 7.1Mt @ 4.2%GC.

Resource Category	Zone	Quantity	Grade
		(Mt)	(GC%)
Measured	110	-	0.0
	111	-	0.0
	112	-	0.0
	120	-	0.0
	130	-	0.0
	140	-	0.0
	150	-	0.0
	160	-	0.0
	161	-	0.0
	170	-	0.0
	180	-	0.0
Sub-total Measured		-	0.0
Indicated	110	0.9	4.2
	111	-	0.0
	112	-	0.0
	120	0.8	4.9
	130	0.4	3.7
	140	0.7	4.1
	150	0.4	4.6
	160	-	0.0
	161	-	0.0
	170	-	0.0
	180	-	0.0
Sub-total Indicated		3.2	4.3
Inferred	110	3.3	4.8
	111	0.2	9.1
	112	0,1	3.6
	120	1.5	4.3
	130	2.0	4.2
	140	1.9	4.1
	150	3.2	5.6
	160	0.4	3.8
	161	-	5.6
	170	1.9	4.1
	180	0.5	4.1
Sub-total Inferred		15.2	4.7
Total Mineral Resource		18.4	4.6

Notes:

(1) All reported quantities are rounded to the nearest 100,000 tonnes and the GC grades are rounded to the nearest one decimal point to reflect the relative accuracy of the estimates.

(2) The Mineral Resource Estimate was constrained by the lithological wireframes, a marginal cut-offs of 1.8% GC and a conceptual pit shell defined by the following assumptions: Graphite Concentrate price of US$ 950/t; overall slope angles of 30º; a mining recovery of 95%; a mining dilution of 5%; a base case mining cost of US$ 1.5/t of ore; dry processing cost US$ 6.6/t of ore, and 5% mass yield; without considering revenues from other elements.

SRK Mineral Resource Statement Sahamamy Graphite Project, Madagascar, in accordance with the JORC Code (2012) as of 1st June 2020

Resource Category	**Zone**	**Quantity**	**Grade**
		(Mt)	(GC%)
Measured	100	-	0.00
	200	-	0.00
	300	-	0.00
	400	-	0.00
	500	-	0.00
	600	-	0.00
Sub-total Measured		-	0.00
Indicated	100	0.2	5.20
	200	-	0.00
	300	1.0	3.40
	400	0.2	6.40
	500	-	0.00
	600	-	0.00
Sub-total Indicated		1.4	4.10
Inferred	100	1.4	5.30
	200	1.3	2.50
	300	1.4	3.60
	400	1.3	5.50
	500	0.3	4.10
	600	-	0.00
Sub-total Inferred		5.7	4.20
Total Mineral Resource		7.1	4.20

Notes:

(1) All reported quantities are rounded to the nearest 100,000 tonnes and the GC grades are rounded to the nearest one decimal point to reflect the relative accuracy of the estimates.

(2) The Mineral Resource Estimate was constrained by the lithological wireframes, marginal cut-offs of 1.8% GC and a conceptual pit shell defined by the following assumptions: Graphite Concentrate price of US$ 950/t; overall slope angles of 30º; a mining recovery of 95%; a mining dilution of 5%; a base case mining cost of US$ 1.5/t of ore; dry processing cost US$ 6.6/t of ore, and 5% mass yield; without considering revenues from other elements.

Exploration Target

In addition to the Mineral Resources reported by SRK in the CPR, SRK was further of the opinion that Vatomina consists of about 8-10 Mt of mineralised materials with the average grade containing about 3-4%GC as Exploration Target, as the term is defined in the JORC Code (2012), within the area that has been explored by the Company as at the date of the CPR.

The estimation of such Exploration Target was derived from the available mapping data and the geological logs of the auger boreholes and such Exploration Targets include:

- Along the strike of the already identified mineralised bodies; and
- Along the dip direction of the identified mineralised bodies.

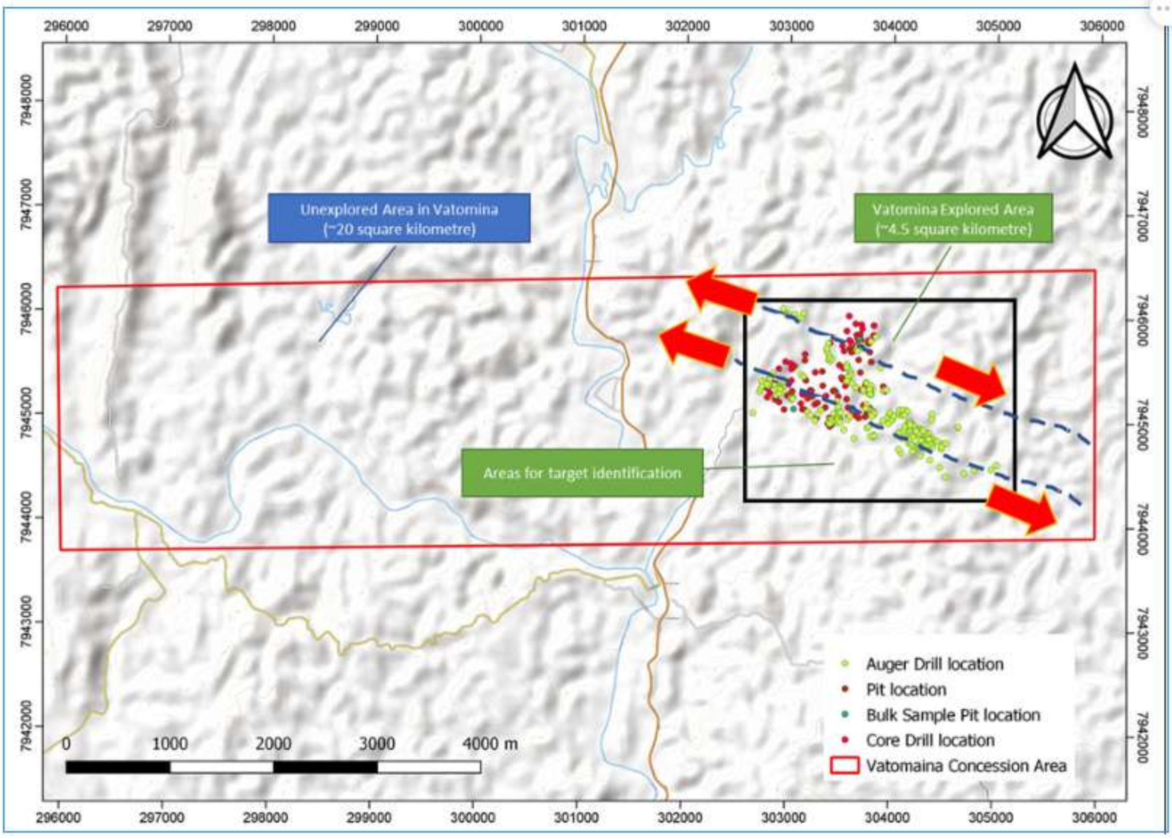


Figure 11: Map defining areas needing further exploration

SRK noted that the strike wise extension of the already identified mineralised zones is still open and falls within the northern and eastern boundary of the license area. SRK also noted that the exploration undertaken in Vatomina was restricted to about 25% of the license area. Considering the significant portion of the license area consists of the similar geological unit that has potential to host graphite bearing layers within the gneissic rock, SRK recommended the Company to undertake a preliminary mapping programme to confirm the presence of the graphitic bands in the remaining 75% of the license area that occurs west of the areas previously explored.

At Sahamamy, SRK is of the opinion that the Sahamamy Project has potential to host about 5-7 Million Tonnes of Exploration Target with expected grade of 4-5% GC and such Exploration Targets were identified in the following areas within the leasehold:

- Along the strike of the already identified mineralised bodies;
- Along the dip direction of the identified mineralised bodies; and

- In the central part of the leasehold area, where occurrences of the parallel mineralised zones are reasonable geological expectation.

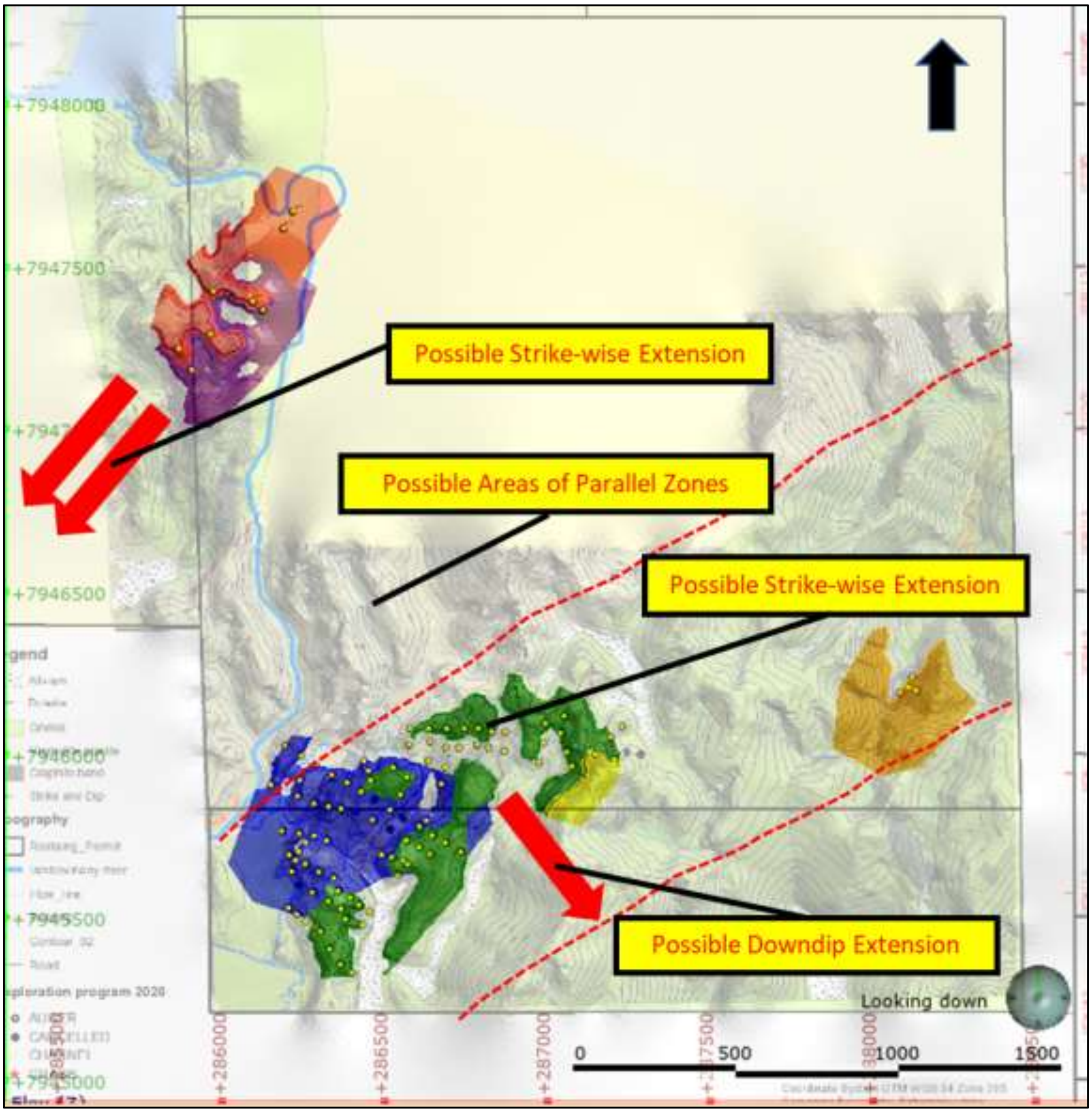


Figure 12: Distribution of the Exploration Targets in Sahamamy

SRK is of the opinion that such areas should be drilled with diamond core drill holes in order to confirm the geometry and shape of the mineralised bodies and evaluate the results during the future exploration programmes.

Mine Planning

Mine planning for Vatomina is ongoing and will be enhanced during the next phase of exploration post listing. At Sahamamy, the mining operation comprise of historically mined open-pits as well the current open-pit operations. Based on 6-month results to 1st June 2020, a total of 116,483 t of material has been moved, of which 36,846 t had been ore material. The operating stripping ratio is about 2:1 (t:t).

A conceptual mine plan for Sahamamy has been developed by the Company in which five different areas for mining (A to E) as illustrated in Figure 13, has been identified with present mining activity happening in pit areas A and B.

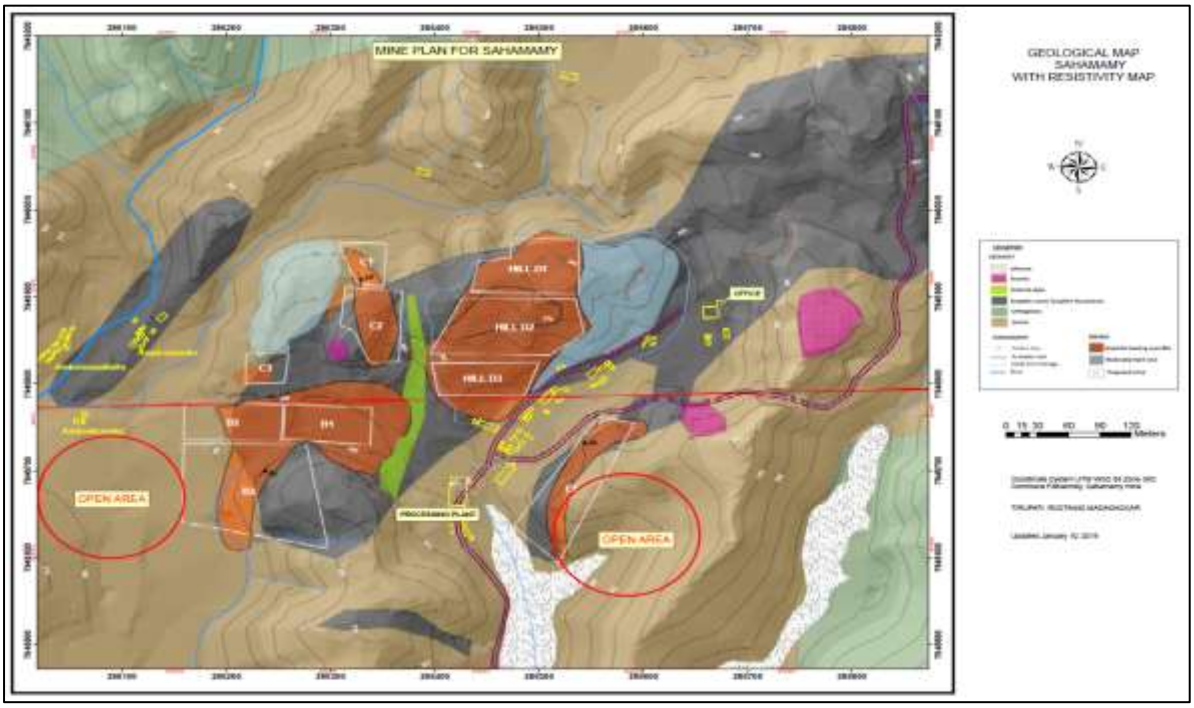


Figure 13: Layout of Mining pits in Sahamamy

Future Exploration Programme

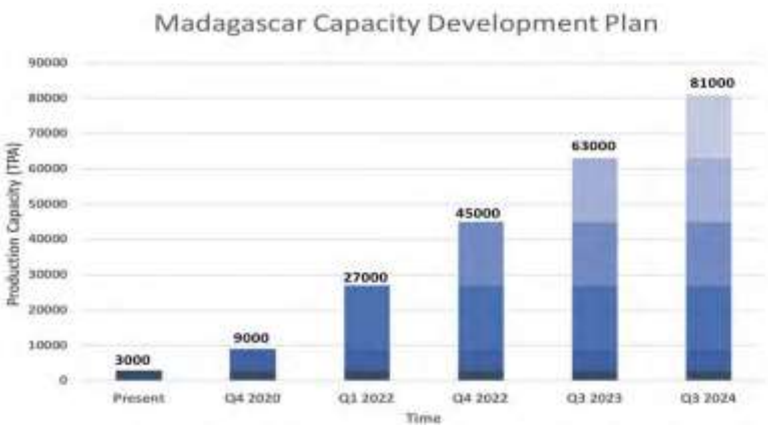
The CPR also contained various recommendations to the Company for ongoing exploration and mine planning activities and operational improvements which the Company plans to undertake in the coming periods post IPO. The further detailed exploration prospects to be pursued alongside modular expansion include:

- Geologically open lateral areas along North – East – South of the currently explored areas
- Continuity beyond 50M of vertical depth by deeper drilling in second phase.
- Initiation of exploration in the western half of the Permit area which remains unexplored to date.

Development of primary flake graphite projects

The activities at Vatomina are now prepared to shift gears to mining and processing to produce high quality flake graphite alongside the second phase of exploration to enhance its resource base. Upon completion of the fundraising and listing of the Company's equity on the London Stock Exchange, these developments shall be commenced.

The planned capacity build up of the primary projects remains to 81,000 tpa, 60,000 tpa in Vatomina and 21,000 tpa in Sahamamy, with the updated estimated timelines being as below:



Development of land for the construction of the first 6,000 tpa module in Vatomina was initiated Q3 2018 and construction started Q1 2019. The development stands well advanced with higher time-consuming activities like foundations, feed platform, concrete guard walls and utility centres having been completed. The Company had been in the process of raising the capital required for completion of Vatomina but due to challenges of raising funds as an unlisted company, decided to progress the development further post listing. The remaining works is the erection of the super structure and installation of equipment, which are expected to be completed within 4-5 months following the Company's IPO. The pictures below shows completed foundations and flooring of the main plant building and other utility centres having been completed.

Figure 14: 6000TPA plant under construction

Since our last report, the Sahamamy Project has operated as a modern international standard mining and processing facility producing high quality flake graphite and shipping to high end consumers in three continents. Commissioning of the first 3,000 tpa module at Sahamamy was completed in March 2019, followed by a period of production ramp-up and stabilisation of operations alongside marketing and sales activities.

During the year under reporting, being the first 12 months period post commissioning, and including the debottlenecking, technology establishment, ramp up and plant stabilisation period to 31 March 2020, the Sahamamy Project delivered the following key operations results:

Cost Head / Particulars	Cost Incurred (£) / Outputs (MT)
Total Cost of production	£411,899
Quantity Produced (MT)	1,318 MT
Cost per ton produced (per MT)	£313/MT
Quantity Sold (MT)	1,206 MT
Revenue Generated	£793,577
Average Selling price (per MT)	£658/MT
Gross Sales Margins (per MT)	£345/MT
Gross Sales Margin (%)	52.43%

We are happy to report that the results establish beyond doubt the following contentions of the Company with respect to its primary flake graphite projects and capabilities:

- The Company has established its ability to set up mining and processing facilities for flake graphite at industry lowest CAPEX as compared to listed peers, whose feasibility studies suggest multiple times

CAPEX of US$317 (£240) per ton of annual capacity created incurred by the Company and in line with its estimates for follow on developments.

- The total C1 operating cost (OPEX) of US$391 (£313) per ton of production in the initial first year, establishes the Company's contention that its operating cost structure is in the lowest quartile in spite of the fact that the resource grade is not in the highest quartile as compared to listed peers.
- The project incorporates a lean process and its success has been established at commercial scale.
- The technological innovation developed by the Company, called Self-Attrition Graphite Extractor ("SAGE"), a first time use of a new processing technology that eliminates sand as a by-product from the feed ore prior to the flotation circuit. This unique processing technology represents a hugely valuable development for the Company in view of the following:

  - The load on the flotation circuit is reduced by about 50% with pre flotation removal of >50% of the impurities leading to a cost efficient and lean process.
  - It reduces wear and tear in the process with preliminary elimination of abrasive sand prior to flotation circuit.
  - Construction grade sand is achieved as a process by-product, which is currently being extensively used by the Company in construction and infrastructure development activities at the Projects reducing infrastructure development costs.
  - This also leads to the Company realising its objective of having greener operations as well as meeting its waste to wealth aspirations.

The operations of the processing plant were stabilised during the ramp-up phase and commercial production was declared by the Company in January 2020.

Figure 15: 3000 tpa plant at Sahamamy in production

Marketing and Sales

In line with the Company's marketing policy, we have selectively engaged with the higher stature end users in diversified segments spanning across the United States, Europe and Asia. The approach is not only to sell current production but to pre create markets for the upcoming additional capacities. For catering to the smaller users, we have also engaged industry recognised benchmark intermediaries and processors with similar policy and approach.

The sales from the operations for the period totalled 1,206 MT (total produced was 1,318 MT), with an average basket price realisation of US$ 835/MT. Commercial supply qualitative approvals have been achieved with target buyers and the Company has received a number of repeat orders from some buyers and further progress is being made with each product consignment made by the Company. The Company has established its brand name further in the industry, for various applications and in multiple countries. As specific information on buyers is considered commercially confidential, they have not been included.

Environment Management & shift to renewable energy

Our Environment management strategy is driven to minimise the impact on the environment caused by our operations, engage in measures aimed at environmental sustainability to mitigate the impact and overall, positively contribute to the environment. The company has taken various measures for minimising the impact on the environment, including:

1. The generation of sand as by-product has reduced process tailings by half.
2. Tailing solids are settled and used for land filling and as clay for local use by the community.
3. Progressive build-up of drainage management taking benefits from the undulating terrain has helped reduce erosion.
4. Non-mineralised waste land and swamp areas are being developed by reclamation using mining overburden redeveloping these into productive areas for plantations.
5. A combination of waste vegetation with concrete has been developed for low cost housing development for the local population reducing dependence on wood thereby reducing wood cutting.
6. The company has adopted a zero-dust policy in its operations which is achieved by multiple activities to control dust emission in mining & processing activities. Our by-product sand and quartz mix laid on roads has helped eliminating dust from vehicular movement. The plant operations are dust free and most modern flash drying system using with natural gas as fuel helps minimise emission and dust.

Use of renewable sources of energy is a key priority for the company. With undulating terrain in Sahamamy area, the topography and drainage provide opportunities for hydro power generation. Initial studies for reconditioning the existing small hydro power generation setup ('SHPP') established a few decades ago with water reservoir and a turbine house connected by a pipeline have been completed. The SHPP is inoperable at present and requires a complete rebuild and overhaul. Further scope for additional capacity creation for hydro power generation have been established through a feasibility study. The company intends to progress the reconditioning of the existing facilities and create further capacity alongside further project capacity development in its next phase.

Development of Connecting Road between Sahamamy & Vatomina Projects:

We are happy to report that via a decree dated 6 April 2020, we have received authorisation from environment and forest departments for building and developing 12 km of new road connecting the Sahamamy project to the National Highway RN2 and the Vatomina project and to add 18000 tons of additional capacity at Sahamamy project. The process encompassed extensive liaison with all stakeholders including various communities, Department of Forest, administrative bodies of the Government and the Department of Environment and we are happy to report that we received support from extended communities outside our Permit areas. This connectivity shall extensively help our in-country management and catalyse the improvement in quality of life of a very large area devoid of road connectivity, benefitting the local people and catalysing economic growth of the region. We are engaged in advancing the build-up of the road and this shall be fast tracked post the completion of the fund raise activity in process via the IPO.

Development of further processing facilities

With the establishment and profitable operations of the first 3,000 tpa module at Sahamamy and advancement of the second 6,000 tpa module at Vatomina, while immediately prioritising the completion of the Vatomina module upon locking in the funding requirements, the Company intends to progress on the path of next stage development of both its projects by completing preparations for the next module with capacity 18,000 TPA each. This shall include various activities like further drilling and detailed exploration to enhance the resource categorisation and quantities, development of next stage of infrastructure, re-development of the existing hydro power set up and preparation for the development of larger prospective hydropower generation facility at Sahamamy, and all other activities to progress the developments as per timelines. Appropriate budgets for these activities are earmarked in the company's forecasts and the IPO fund raise plans factors these into the use of funds.

Social engagements – Madagascar Projects.

We are happy to report that the company has further continuously remained engaged with the communities it is working with, under its community development program "Shakuntalam". The program currently focusses on four areas of activities as detailed below:

Continuing our report to members in the previous annual report, we are happy to confirm that the Sahamamy School rebuild is complete in all respect and first classes in the new building shall commence as soon as it reopens. The rehabilitation of inhouse labourers and their families in an area distant from plant operations was also completed.

Additionally, the company continues to deliver on the current focus areas for the community development which includes the Sahamamy Health Centre, Vocational training, providing drinking water facilities, providing logistic facilities to the local people and supporting sports and education on an ongoing basis. The employment generated by the company's projects has brought smiles to many in this region where livelihood has remained a challenge bringing prosperity to the people around our projects.

More details or the social engagement is covered under the Sustainability Report covered under the section Strategic Report.

TIRUPATI SPECIALTY GRAPHITE (P) LTD (Downstream & Graphene)

Specialty graphite currently constitutes approximately 25-30% of the global flake graphite markets volumetrically, though value wise its market size could well exceed primary flake graphite. Applications in energy storage, flame retardants, thermal management, composites, lubricants and various others provide key value added areas for the Company which also provides the opportunity to extensively contribute to the green technology arena. The Company has entered into a binding agreement for the acquisition of 100% of the equity of Tirupati Specialty Graphite (P) Ltd. ("TSGPL"), a private Indian registered company which houses operations and comprehensive plans to set up to and develop an integrated downstream flake graphite project as well as a world class Graphene and Technology centre, thus completing the Company's objectives of becoming a fully integrated graphite to graphene company. We are happy to report that pending completion of the acquisition of TSG, which is subject only to statutory approvals which is expected post listing of the Company, it has been continually progressing its projects in close coordination with the company.

As previously stated, specially processed flake graphite which the Company refers to as 'specialty graphite', is a niche area with substantial value add over primary flake graphite concentrate produced in Madagascar at the Company's upstream operations. The Company estimates the high growth applications like in green energy and energy storage, flame retardants and foils and gaskets, composites like conductive polymers and insulation materials, which require specially processed flake graphite will progressively increase the volumetric market share of specialty graphite. China is estimated to account for 90% of global supply at present, providing the company the opportunity to develop an ex China source for these.

With the acquisition of TSG, the Company has inherited commercially feasible, scalable and green processes for downstream processing of primary flake graphite into the various forms of specialty graphite. As a precursor for most of these applications, the primary concentrate requires purification up to 99.95% and is then subjected to follow on processing and shaping to produce specialty products such as expandable, micronized and spherodised graphite.

The updated status of these projects is as detailed below:

The Patalganga Project

The Patalganga project was set up by TSGPL to act as a precursor project to establish markets and further de-risk the Company's developments ahead of construction of the larger downstream processed flake graphite projects under the Company's medium-term development plans ("MTDP"). The first stage of the Patalganga project commenced commissioning in July 2019 and achieved commercial production within the next quarter. It has manufacturing capabilities for 1,200 tpa of flame-retardant expandable graphite and 1,500 tpa of flake graphite finishing facilities by way of screening and blending to produce customised products for buyers which also provided the Company with the ability to develop smaller end user-based markets in India for its primary flake graphite products coming from its Madagascan operations.

As expandable graphite-based flame retardants are a relatively niche area it requires a progressive marketing strategy starting with product testing and acceptance from buyers in order to penetrate these markets for larger volumes. The Company launched its own trademarked "CarboflameX" brand of products for use in an array of flame retardant applications including manufacture of poly urethane ("PU") foam, rubber latex foam, coatings on textiles, wood, metals, intumescent tapes, bitumen roofing, sealants for doors and windows, graphite sheets, gaskets and seals and other products used in various end-user applications in construction, transport and aerospace industries.

Figure 16: CarboflameX supplied for flame retardant applications like in PU Foam

Figure 17: Part of 1,200 TPA Patalgangas facility

Since commissioning Patalganga, we have extensively worked on market development, both in Asia and Europe and recently initiated development in the United States. We are now regular suppliers to more than 10 users, are in various stages of product and source approvals with additional more than ten, and have identified targets for further market developments. TSG is also progressing the obtaining of REACH registration for the European markets, which will facilitate faster progress of developments.

Following the IPO, the Company will implement the second stage of the Patalganga project which is to expand the production capacity from 1,200 tpa up to 4,800 tpa and also compliment the product capabilities to include high purity graphite, micronized graphite as well as further expandable graphite production capacity. This shall formulate the base for the larger scale integrated Specialty Graphite Project. The stage 2 expansion of the Patalganga project is expected to be completed within 4 quarters from commencement post IPO.

Integrated Specialty Graphite Project

The company has completed a comprehensive detailed feasibility study for its Specialty Graphite project in India (“TSG Project”). The TSG Project is planned as a 24,000 tpa capacity plant to be developed in two modules of 12,000 tpa each, over a three-year span, which is aligned with markets of specialty graphite for specific applications. As an update to our previous annual report, we are happy to further report that the application for allotment of 20,000 sqm land for the project in Syakha Industrial Area, which was filed with The Gujarat Industrial Area Development Authority, an institution of The Government of Gujarat engaged in developing industrial areas across the state, has progressed recently with an invitation for project presentation having been completed. While the company will progress to secure land for the project as approvals are received, the development of the project shall be initiated post completion of Patalganga expansion.

Tirupati Graphene & Mintech Research Centre ("TGMRC")

The Company believes that scientific research is the creation of new knowledge, creating in turn the expanded capabilities that enable development of novel technologies, skilled jobs and new processes and products. Scientific advances and technological change are important drivers of economic performance. Advances in research are driving technological changes faster which will have high economic, social and environmental values and these are the guiding principles of TGMRC, a project to be established in Bhubaneswar, India under TSGPL.

TGMRC is designed to provide technological support through its state of the art research facilities focused on the development of cost effective and environmentally friendly technologies for specialty graphite applications to the Company and its customers. It will also house the Company's capabilities to manufacture graphene at a commercial scale and facilitate the development of graphene based applications and other industrial mineral processing technologies on a consultative basis to other companies in the sector in India and globally. The centre is intended to be a self-sustaining operation with revenues generated through the sale of its graphene and ultra-high purity graphite products and fee income from its complimentary industry consulting service operations.

We are happy to update that the application for allotment of 20,000 sqm land for the project in Gothpatna Industrial Area in Bhubaneswar city of Odisha state in India, dedicated to research and educational institutions, was approved by the Government of Odisha in May 2020. Throughout the reporting period whilst awaiting the land allotment decision from the Government, the Company continued to progress on various activities which include:

- Updating of the detailed feasibility study for the TGMRC project which included detailed engineering and design development, equipment sourcing, markets development as well as further team building preparations.
- Development of a unique technology for the manufacturing of Graphene Oxide & Graphene from flake graphite as the base material without use of any chemical exfoliation and thus, being a process using zero toxic chemicals of any form, unlike any other known processes.
- The development process has resulted in standardisation of the manufacturing process and the graphene product we are able to produce which is a significant achievement in the commercialisation of graphene in industrial scale applications.
- The Company selectively released its specifications for standardised graphene and provided samples for assessment at various research centres.
- In addition, the graphene manufacturing process developed by the Company is cost efficient which further boosts its goal of catalysing graphene commercialisation.
- The Company is continuing to work with various target application industries and product research and development institutions on graphene based applications areas across various industries.
- Various other activities are ongoing for establishing the business of the proposed research and technology centre and support to the other developments of the Company on an ongoing basis.

On completion of land allocation following the proposed IPO, the Company will accelerate production capabilities of its graphene products as a first step in the planned Phase 1 of developing this technology and research centre.

Impact of Covid 19 Pandemic

In December 2019, a novel strain of coronavirus was reported to have surfaced in Wuhan, China, which has and is continuing to spread throughout the world. On January 30, 2020, the World Health Organization declared the outbreak of the coronavirus disease (COVID-19) a "Public Health Emergency of International Concern" and on March 11, 2020 the World Health Organization characterized the outbreak as a "pandemic". To control the spread of the disease, various countries announced measures of lockdowns and other restrictions with certain liberties, which have been relaxed in different degrees subsequently.

The effects of the restrictive measures on the company's operations during 2020 have been as below:

- In Madagascar, the company's operations survived lockdown orders issued mid-March, being a permitted industrial activity. Thus, operations of the company's projects have continued.
- Movement of inputs like spares & fuels were temporarily impacted causing time to time bottlenecks in operations. The company estimates its output to have reduced more or less 20% in the period of restrictions.
- Movement of finished goods from the plant to the port were affected temporarily and normalized with support from the local Government.

- Receipts of dues from customers have been delayed by 30 – 45 days from the due dates.
- Shipments have continued with some customers requesting delays, whereas orders were received from buyers in pipeline.
- Travel of senior management team members was impacted though this has not caused any significant effect on the operations of the company.
- The Indian operations of TSG were under complete lockdown from 24 March 2020 and resumed operations from May 12 2020.
- Sales of goods have recommenced after restart of operations duly adopting SOP's and best practices for prevention.
- A temporary reduction in consumption is reported and so is a drop in output by graphite producers in China. Temporary closure was announced by two new Africa based producers listed on ASX.
- There has been no significant softening of prices of graphite caused by the Pandemic. The prices of larger flake graphite, the primary product range of the company, are reported to have marginally increased. (source : fast markets)
- No employee of the company has been reported infected with the corona virus till date.
- Post IPO the company intends to fast track development of its Vatomina project, expansion of Patalganga project and development of stage one of its proposed Graphene center.
- Global sentiments for diversifying supply source from China have led to increased approach to the company from buyers in Europe and other consuming locations.
- The company sees an opportunity in fast tracking its development to seize this enhanced opportunity for both its Madagascar and Indian projects.
- Additionally, fast track development of its Graphene center will enable the company to collaborate and develop use of graphene in personal protective equipment and for medical applications.
  The senior management team of the company has continued to 'work from home' and have access to all required corporate data and records which are available online through cloud-based systems.

While the Pandemic has not caused any significant negative impact on the company's operations till date, except to the extent described above, it has opened opportunities for the company. However, severe lockdowns prohibiting movement of goods and people extensively and more stringent than that was implemented to date, extending for longer durations, spread of the disease extensively among the company's management and employees or any other unforeseen circumstances related to a pandemic or health emergency with severity higher than what was seen in the period, can affect the continuity of the company's current operations or lead to impacts related to its markets.

UPDATE ON CORPORATE ACTIVITIES AND CAPITAL RAISE

The company continued its activities on corporate development and engagement with financial markets and we are pleased to report the following activities:

- Since the last annual report, the Company made significant progress on its IPO plans with the completion of its Prospectus and Registration Documents approved by the FCA in September 2020.
- During the reporting period, the Company raised a sum of c. £390,000 in pre-IPO equity at an issue price of £ 0.35 per ordinary share, reflecting a premium of 75% over the previous equity raise by the company.
- The Company also raised further capital by way of unsecured Convertible Loan Notes ("CLN") with three years life convertible at the price of IPO equity issue and accruing a coupon of 12% per annum till conversion or maturity. The Company retains the right to buy back all outstanding CLN's from one year after the IPO. The Company raised a total sum of £810,000 under the CLN offering during the reporting year.
- During the period, the Company ramped up its active engagement with the investor community with activities including one-on-one investor meetings, non-deal and pre-IPO road shows with select investors.
- Additionally, the Company appointed Primary Bids as an intermediary on the IPO to provide it with access to the UK retail investor base.

- Participation in various conferences and trade shows was ongoing, targeted at continuing to develop markets and customers for the Company's products and also to continue developing the Company's profile with the investment community.
- The Company has adopted a customised MIS system at its operational and management activities for recording data and providing analytics and improve efficiencies.
- The Company proactively engaged on public relations and social media through its appointed specialist service provider for the ongoing dissipation of activities and developments performed by the Company. The Company intends to ramp up its IR, PR and social media activities further post listing.

We can therefore say that the company has made extensive all-round progress in developing its business, actively worked on all spheres of its business and is well placed to continue its efforts to achieve its vision and mission.

This report was approved by the Board of Directors on 4 October 2020 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 2020), and forms part of our UK Annual Report and accounts for the year 31 March 2020 (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 has substantially progressed its efforts to list on the main market of The London Stock Exchange and published its "Registration Document" on 28 September 2020. It has also raised a further sum of £513,000 under CLN issue to meet its ongoing working capital requirements. The Company has appointed Mr. Lincoln John Moore as a Director with effect from 1 August 2020. Mr. Lincoln is considered as an Independent Non-Executive Director.

Results for the year ended 31 March 2020

A summary of key financial results is set out in the table below. The Group and Company primary financial statements are found on pages 58 - 64.

In summary:

- The net interest cost for the Group for the period was £46,003
- Administrative expenses from continuing operations £1,193,651
- Group loss after tax from continuing operations was £912,742
- Basic and diluted loss per share from continuing operations was 1.53 pence
- As at 31 March 2019, the Group had cash and cash equivalents of £46,640

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

Key performance indicators

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

	2019-20 **£**	**2018-19** **£**
Revenue	**793,577**	**145,207**
Cash and cash equivalents	**46,640**	**44,681**
Gross assets	**6,329,475**	**5,602,564**
Earnings per share	**(1.53p)**	**(1.93p)**

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

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

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

a. the likely consequences of any decision in the long term,
b. the interests of the Company's employees,
c. the need to foster the Company's business relationship with suppliers, customers and others,

d. the impact of the Company's operations on the community and environment,
e. the desirability of the Company maintaining a reputation for high standards of business conduct, and
f. the need to act fairly as between members of the Company.

The Board of Directors is collectively responsible for formulating the Company's strategy, which is to become a multi-asset, multi-jurisdictional, fully integrated producer and developer of high-grade natural flake graphite and graphene company, as outlined in detail in the strategic report. The strategy developed by the company has resulted in achieving value creation and derisking of its development plans adopting the step by step approach.

Some key decisions taken by the Board during the year under review and significant outcomes achieved aimed to deliver on this strategy. These included:

- **Refinement of the Company's strategic Medium-Term Development Plan**

  Having successfully brought the Sahamamy Project and Patalganga Project Phase 1 into production at the start of the period, the Company refined its strategic development plans to encompass learnings from its development activities at its start-up operations in Madagascar and India. Implementation schedules and costings were updated to account for actual development costs and operating metrics from the Sahamamy Project which further enhanced accuracy of budgeted costs. Development and operating experience gained from the 1,200 tpa Patalganga Project allowed the modify its development strategy for its downstream business to include an expansion of the Patalganga Project to 4,800 tpa as the next development step, which will enable the Company to continue pre-development and marketing activities to break into niche specialty graphite markets and further de-risk the subsequent larger-scale developments at its Speciality Graphite Project. The refined MTDP is outlined in table on page 8.

- **Capital raise by Equity and Convertible Loan Note and progressing to list on the main markets of LSE**

  Having established its first operations, while progressing as an early stage producer, and recognising the challenges in raising capital remaining unlisted, despite the poor market conditions, the Company raised a further £390,000 in equity during the period and to minimise pre IPO equity dilution, launched a Convertible Loan Note issue Q3 2019under which the company raised a total of £810,000 during the year. The equity and CLN funds raised during the period provided the Company with working capital to continue mine development and ramping-up production and stabilise the operations at Sahamamy, covered costs which were critical to continue advancing with the Company's listing process and other corporate development activities, development of markets for its new production, and setting the base for the next stage of execution of the MTDP. The company first filed a draft Prospectus with the FCA for listing on the main markets of LSE in December 2019 and an updated version, as directed, in end of February 2020. The process has substantially advanced since then and the Company released a Registration Document on 28 September 2020 progressing to completing the process.

- **Focus on preparing the company for larger investments and life as a listed company**

  With limited available funds and competing priorities, the Board of Directors prioritised use of the available capital to meet the capital requirements of the Sahamamy project and provide working capital for completing the ramp up and stabilisation of operations the new facilities, complete necessary ground preparation works at Vatomina to bring the project up to construction-ready status for erection of the super structure and installation of process plant equipment, enhancing the Company's exploration activities and geological database sufficient for SRK to complete their CPR and issue a JORC (2012) Mineral Resources Statement which successfully estimated a mine life in excess of 10 years at the full planned capacity under the Company's MTDP. In addition, through the work undertaken by SRK on the CPR, the Company also acquired updated geological models and statistical data which allowed it to enhance its mine planning for production as well as identify priority drill targets which it will explore for maximum yield during its upcoming further exploration and drilling campaign post IPO. The meticulous planning and use of scarce financial resources helped progressing the company's objectives and enhancing its outlook for the proposed listing.

The Directors believe these key strategic decisions will generate value for our shareholders in the long term through maximising the Company's future profitability while continuing to de-risk the Company's strategic development plans. In executing the Company's strategy, the Directors remain focused on responsible and ethical business practices, and the Company strives to be a responsible corporate citizen in all its territories of operation. This includes strict adherence to the laws of the land.

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 company. Despite not yet being a listed company, the Company provides shareholders with disclosures generally as a listed company is required including periodical communications with project updates and reporting material developments and operational achievements by direct email communications as well as via the Company's website. To assist with external communications, the Company has engaged with a reputable UK Investor Relations firm as well as a group who are specialists in managing corporate social media accounts to engage with the public on behalf of the Company. As the Company transitions into a listed company, the primary communication tool for regulatory matters and matters of material substance will be through the Regulatory News Service, ("RNS"). The Company's website will also continue to be updated regularly and provide further details on the business as well as links to helpful content such as our latest investor presentations.

The Board further believes that it 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 our employees are the primary assets of the company and are 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 within the limitations the company has had, 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 employees are the source of it having been an outperformer and shall continue to be so and deserve to be rewarded commensurate with the company's success.

Developing relationships with the community and other stakeholders

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

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

Conclusion

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

Principal risks and uncertainties

The Company management are conscious of the risk factors that can affect the Company's performance and are aware that they must be always 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 19 to the financial statements:

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

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

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	1. The Company's first phase of project development and implementation has been dependent on the capital raise from investors and any delay in funding arrangements may delay the project development and implementation. 2. Investor support may be negatively impacted if there are delays in achieving our strategy's intended goals.	1. The first phase of the company's projects are operational and generating operational cashflows. The company is progressing to completing an IPO to secure access to extended capital markets. 2. Setting example by demonstrated higher achievements than projected.
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.	Our Group has been putting in a substantial amount of investment in research and development, which continuously enhances our innovative process to ensure higher quality products and a consistent competitive edge. Additionally, the management has been in this field for a substantial period of time and is very well connected with the end users (consumers) and the intermediary suppliers into the primary and specialised graphite industry.

Company's Management Performance and Efficiency	During the phases where the Company is expected by the Board to experience rapid growth, it is essential to effectively manage such growth. While the Board is fully equipped to implement the Company's strategy, mismanagement of project operations at any level could lead the business to suffer, which may impact the Company's performance and profitability. The responsibility to manage multiple projects across different jurisdictions at the same pace while ensuring quality and sustainability sits with the Board and the Company's management team. Continuous growth in sales and profits largely depends on the Company's management team's ability to expand its operations and manage the procedures, financial controls and information systems effectively.	Ongoing development of the management team as we progress is a part of the company's activities and is thus dynamic. In fact, we have established that the Company's management team has the ability to deliver on all fronts and see this as a strength for the company.
Attraction and retention of key employees	It is essential for the Group to maintain the continued service and performance received from the key officers and employees. Even though arrangements with the respective employees are in place to secure their services, retention of these services cannot be guaranteed. The loss of the services of any of the key officers or employees could delay the Group's operations. Further, the ability to attract and hire new sufficiently skilled employees cannot be guaranteed.	The Group is actively involved in human resource management. The process includes policy framing of appropriate incentives and appreciation methodology, which ensures that people with key skill-sets are retained. Creation of systems to mitigate individual influence, continued talent hunt and alternative key human resource development and training are ongoing activities.
Brand, reputation and trust	Our brand will suffer if we lose trust and transparency in our business. If we cannot be firm in the face of ethical, legal, moral or operational challenges, our reputation may be damaged.	Our Group's processes and policies set out how we can make the right decisions for our customers, colleagues, suppliers, communities and investors. We have developed communication and engagement programmes to listen to our internal and external stakeholders and reflect their needs in our plans. We maximise the value and impact of our brand with the advice of specialist external agencies and in-house expertise. As our business grows and develops, we will remain strongly focused on protecting the strength of our 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, we must ensure that we understand the types of data that we hold and secure it adequately to manage the risk of data breaches.	We have active monitoring processes to identify and resolve IT security breaches, and also to investigate and mitigate any possible threats. A platform with a high-end security system is under development.
Performance	If our strategy is not effectively communicated or implemented, our business may underperform against our planned objectives.	Our Board, executive management and operational units meet regularly to review performance risks. An ongoing communication process informs our colleagues about the long-term strategy and ensures that they understand their part in it. The company is also implementing a customised ERP system to further instruct, monitor and analyse performances. There are clear guidelines, detailed timelines and policies set out to ensure that there is an appropriate focus on balance between short term and longer-term delivery.
Operational Risks	The current operations of the Company generally include exploration mining, processing, and production, any of which may be impacted by factors which are outside of the Company's control.	The Company has adopted a modular development strategy to mitigate the risks on various operations and financial fronts. With the first plant commissioned and selling, various risks like technology, operational, mining, financial – cash flow and revenue etc are appropriately addressed with stringent review on the investment made in early stages.
Volatility of Commodity and Equity Prices	The Prices and demand for the Group's products may remain volatile/ uncertain and could be influenced by global economic conditions. Volatility in commodity prices and demand may adversely affect our earnings, cash flow and reserves.	As the group is very well diversified in its upstream and downstream projects, the management can mitigate this risk by pursuing low-cost production, allowing profitable supply throughout the commodity price cycle and balance the price volatility/uncertainty.
Geopolitical, Regulatory and Sovereign Risk	The primary flake graphite Projects are located in Madagascar and downstream and technology Projects in India and are therefore subject to the risks associated with operating in a foreign jurisdiction.	Madagascar has a mining code providing tenure of 40 years and is renewable – with no history of any disruptions to operations by any previous governments and is well connected to the international community As a mitigation, the company further may consider adding primary activity at one more location.

		India is a the fastest growing major economy and investment seeking and friendly. Additionally, 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 we do not invest enough or efficiently or invest in the wrong areas, we may not be able to deliver our customer proposition which could impact our competitiveness. As we develop new technologies, we 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 our technology innovation infrastructure and its security. We are heavily inclined towards technology and innovation and work rigorously on continued improvements.
Environmental and Health and Safety Risk	The Graphite Projects, including ore mining and production plants, are expected to have an impact on the environment, particularly in cases of advanced exploration or mine development proceeds, production sites and plants. Its activities are or will be subject to in-country national and local laws and regulations regarding environmental hazards.	We have obtained Environment clearance for the first phase for both projects in terms of the regulations in place. Further extensions will be applied for and obtained prior to start of construction of the next phases. The company has also developed and adopted environment friendly technologies to minimise impact and will continue to strive to take steps for improving environment and mitigating damage if any.

Corporate and social responsibility

The Group remains committed to our corporate and social responsibility projects.

Ratio of men to women

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

Going concern basis

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

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

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

This report was approved by the board of directors on 4 October 2020 and signed on its behalf by

Mr Shishir Poddar
Executive Chairman and Managing Director

Sustainability Report

The Company believes in sustainability in all spheres – social, environment and value creation. With this aim, the Company has adopted and implemented various mechanisms, programs and taken multiple steps to improve the lives of people around its operations and also become a green Company.

The Company has historically provided commentary on its Corporate Social Responsibility (CSR) initiatives and Green initiatives its Annual Report, corporate presentations and media interviews since its inception. This section of the Annual Report represents the Company's first standalone Sustainability Report. It shall provide deeper insight on the various mechanisms and the steps taken by the Company to improve the lives of people in some of the of the most deprived regions and its workplaces, reduce environmental impacts and to have environment friendly operations. The report also highlights the goals and targets set by the Company for the longer-term.

With operations across two distinct jurisdictions, the Company's CSR activities are mainly focused on its operations in Madagascar, where the needs of the communities and society are greatest and where the Company's efforts are most impactful.

Being the Company's inaugural Sustainability Report, it encompasses activities undertaken since the Company's inception up to 31 March 2020, in line with the Company's financial year end. Going forward, the Company plans to adopt an annual reporting cycle for its CSR and Environmental reporting. All financial figures are quoted in GBP unless otherwise noted.

This report forms part of and should be read in conjunction with the Company's Annual Report 2020.

Social Development – Shakuntalam

Overview

The Company is strongly committed with its Corporate Social Responsibility and has adopted a social development program, called Shakuntalam (symbolising motherhood). At the outset, the Company engaged with the local communities near its projects and developed a deep understanding of their needs. The most relevant goals are the efforts devoted to job creation, local development and diversification of the area. Accordingly, it carved its social care and engagement program with defined objectives below:

Enhance Earnings: Through direct and indirect employment
Catalyse Education: Improve infrastructure, provide materials and support teaching staff
Improve Health: By various measures and promoting family planning
Catalyse Happiness: Promote sports, hand holding for land rights, engage, facilitate.

These determine a strong will for high performance in the way the Company´s operations positively contribute to the lives of people, the environment and the society. These goals are incorporated to the Company´s responsibility plans, which are implemented in Madagascar through its Shakuntalam Programme, which is led by the Company's corporate and in-country senior management team alongside community representatives. While having drawn a long term strategy to achieve these goals, the Company is continuously taking measures to improve the lives and standard of living of the people. To date as an unlisted company, TG has invested approximately £40,000 in these activities, not including investments in shared infrastructure which is commonly used by both the Company and the community.

Our Communities

The Company is dedicated to being a responsible corporate citizen and is aware of its responsibilities as the most relevant productive player in its area within Madagascar. Though well connected to external infrastructure, the projects of the company are located in a region that reflect the poverty of the people around it and provide an opportunity to improve the state of earning potential and quality of life of the people. The Company looks at this as an opportunity alongside developing world class projects contributing to the progress of the country and the deprived communities.

Madagascar has been named as one of the poorest nations by the United Nations and the communities are some of the most deprived in the world. This circumstance highlights the importance of a well-tuned channel of communication with its stakeholders, in order to add value to its operations in accordance with the expectations and needs of its communities.

The Company´s strategy to support the establishment of sustainable, long-standing operations is strongly attached to dealing with the environmental and social impact of its activities in a conscientious, thoughtful and systematic manner. This is achieved through ensuring that relations with governments, regional or local authorities, media, workforce, contractors and providers, and the society in general, are led by transparency and mutual trust, and an appropriate degree of interaction is undertaken and encouraged alongside improving lives of the people.

The community's response, level of engagement and active feedback from the ongoing dialogue established with the Company's stakeholders regarding the economic, social and environmental impact of the Company's operations in Madagascar has been consistently very positive. Notwithstanding this, it is the Company´s responsible approach to align with the goals and aspirations of its communities.

Executed Activities

Employment & Infrastructure

With ground activities ongoing at its project sites, the Company's operations are a source of new and regular employment for the local population. Approximately 120 people have direct and regular employment and a further 50-100 people are indirectly employed through the project. These activities have provided new employment opportunities and improved the livelihood of the local commune and has also led to development of skills in various arenas including driving, drilling, other exploration activities, construction, welding, equipment fabrication, operation monitoring and control, testing and analysis, heavy equipment operations (i.e. excavators and loaders) and other technical skills. With the onset of the creation of the fabrication centre at the project site, there has been further opportunity for the local population to gain technical skills which positively contributes to empowerment and increasing the pool of semi-skilled labour available to the Company. Over 95% of the employees in Madagascar are locals.

The Company's mining activities generates overburden which consists of topsoil cover. The fertile overburden is being used for land filling in barren and non-mineralized areas which promotes horticulture and farming in the region and will further be provided to the Company's employees for housing purpose. The Company has also made drinking water arrangements for nearby settlements.

Employment generation & Redevelopment of Housing for Employees

The Company has built internal access roads which have connected interior and remote villages to developed areas giving the local community better access to schools, markets and improving the lifestyle of the villagers, their overall quality of life and created new commerce opportunities for the local communities.

Internal Roads built by the Company

The Company also rehabilitated the local marketplace in collaboration with NGOs to offer locals a central area to buy and sell their products.

Market Place for Locals

In the Vatomina Project, the Company commissioned a survey by a government authorised surveyor and formed a committee constituting members from the local community, company representatives and the mayor. A uniform methodology for land settlement was structured and executed. Further, the surface occupants who were devoid of official registration and recognition of their land rights were hand held and formal issue of documentation catalysed bringing extensive happiness and smiles.

Land Certification for the Locals

Health, Hygiene & Safety

The health, safety and wellbeing of our employees, contractors and visitors is at the forefront of everything we do across all aspects of our operations. We implement the highest standards to mitigate risks. The Company has also adopted a policy for health, safety and environment, striving for a zero-harm workplace which is everyone's responsibility regardless of job title or role.

In the last year, the activities occurring on site at the Company's Madagascar projects included drilling and exploration, mine development, construction activities, plant commissioning and operations, packaging and transportation along with ongoing environmental monitoring (energy consumption, CO_2 emissions, water management, waste generation and updating the environmental database).

To carry out these activities, the Company has geologists, mining technicians, engineers, field assistants and labourers who have the appropriate training and education to perform their functions and carry out activities with oversight by the Company's sustainability personnel, ensuring compliance with safety principles and environmental legislation.

The Company ensured a safe working environment for its employees and contractors. In the last three years no worker has acquired any occupational illness or suffered any accident that would prevent them from carrying out their activities. Company policy requires that health and safety measures are complied with at all its operations. The Company provides its workers with work clothes and PPE including safety shoes, socks, safety helmets and other safety equipment. In addition, the Company organises regular health and safety camps for educating and training of its workers as well as locals to adopt and comply with health and safety measures in and around the Company's sites.

Training Camps and Health & Safety Camps Organised Regularly

There have been zero incidents that lead to loss of productive work in the form of absenteeism (LTI), and zero fatalities throughout the Company's operation time. Furthermore, there have been no incidents which resulted in material damage.

The Company built a dedicated Community Health Centre at Sahamamy which is stocked with general medicines and manned full-time by a qualified medical practitioner. The Centre is open to the community year-round, 24 hours a day, 7 days a week offering immediate care unit for emergency First Aid and primary health care, health care services to expecting mothers of workers and villagers in mine area, free distribution of supplements and nutrients and also arranges transfers to local hospitals when required. The centre also facilitates arrangements for the provision of clean drinking water to the communities in the area. All of these facilities are provided free of cost to the community by the Company.

Health Care Centre **Happy Employees**

For protecting our employees from Covid-19 across all operations of the Company, masks have been provided to all employees and operational guidelines have been set and implemented to comply with preventive measures and guidelines set by the government. Further, equipment including thermal scanner, oximeter, sanitizers have also been provided at both Madagascar and Indian operations of the Company.

Education & Sport

The Sahamamy School building was old and dilapidated and generally, not fit for use. The Company decided to replace this with a brand-new school building with individual five classrooms which has significantly increased the capacity and functionality of the school giving more children in the area the opportunity to be educated. Additionally, the connectivity to the school was vastly improved by the Company with the redevelopment of an approach road which made the school more accessible to the community.

The Sahamamy School Old (Left) and New (right) Building

The Vatomina School is located on a hillock which did not have a dedicated approach road which meant that the students and teachers had to scale up and down the hill each day on rudimentary pathways through the brush. The Company constructed new, dedicated all-weather road leading up to the school to make it more accessible to the community which provided more incentive to attend and reduced risk of accidents and injury from the daily commute to the school, especially during times of wet weather.

Vatomina School Road Development

The Company organises games and participates in regional and local festivals on independence days each year and awards lanterns, sports shirts, balls and cups to the young people and the community. It also organises regular sporting events in the local school promoting sports including football, volleyball and badminton as well as improving the health and fitness among the students and the wider community.

In addition to fitness and sports programmes, the Company regularly distributed healthy foods to the schools to promote healthier eating and nutrition for the children and the community. The Company also provided stationary and other study materials to the schools for the benefit of the students and teachers.


Organised football matches **Distribution of stationary, books, food items in local school**

Vocational Training & Skill Development

The Company has 95% local employment in Madagascar including all in-country employees. Various activities such as admin, finance and accounting, mining, operation of mining fleet, processing, fabrication of engineered equipments/spares, analytical testing and laboratory works, road development, construction, shipment, packing etc are performed at the various locations of operations in the country. The Company has provided training for people interested in gaining new skills to help them develop capabilities which will benefit them in a long term.

Other Community Engagement Activities

As a part of our efforts to improve the life of the local community, the Company also believes in engaging with the community deeply. It participates in the national festivals/celebrations in Madagascar, for e.g., Independence day parade and celebrations, Christmas and Diwali celebrations etc. and enjoys high repute and regards amongst the local people.

The Company's investment and revenues are also contributing to the GDP of the country and as its operations grow, is expected to represent a meaningful and welcome contribution to the nation's economy.

2021 Workstreams & Long-Term Goals

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

Health & Hygiene improvement in the locality

- Health and Hygiene Centre where a full-time primary doctor will be appointed by the Company with sufficient supply of free medication distribution.
- Immediate care unit for emergency First Aid and primary health care.
- Primary health care to expecting mothers of workers and villagers in mine area, free distribution of supplements and nutrients etc.
- Arrangements of clean drinking water in the entire community around us.
- Conduct regular meetings involving employees' representatives to discuss aspects of safety improvement conditions for employees to improve operational standards and KPIs
- Increased training for all employees in preparation for expansion of operations

Sports Development Centre, Catalysing Education and other

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

Long Term

- Develop local investment strategy to ensure appropriate investment decisions
- Become a partner to local government to aid economic development of the region
- Adopt an international standard for occupational health and safety (e.g. OHSAS 18001, ISO 45001, BSI) or equivalent
- Extend “at work” safety measures to support health and wellbeing of employees and their dependents by performing regular medical examinations for all employees to ensure they are fit and healthy for their role

Environmental Sustainability

With the aim to develop a unique one-stop solution benchmark company for graphite, the company also aimed at developing advanced technologies to promote sustainable development. The Company has taken various steps at all its projects to make them environment friendly and sustainable.
At Tirupati Graphite, our primary objective is to minimize potential environmental impacts by implementing environmental management controls and procedures that will be tailored to meet the individual needs of our operations in their unique environmental settings. It also aims to contribute to reducing the global carbon footprint by providing green materials and solutions across industries through its products.

We aim to achieve this through effective use of environmental impact assessments to identify, quantify, and eliminate or mitigate impacts; integration of environmental controls within our operations, with monitoring to evaluate their reliability and effectiveness, and to identify potential opportunities for improvement; employment of industry standard risk assessment and management techniques to minimize the potential for unforeseen environmental impacts or incidents; and routine checking and continuous improvement through the annual environmental audit processes.

2020 marked first year of operations for the Company and we are in the process of implementing our environmental management plans which primarily entailed baseline data collection and determination of key risk factors and relevant statistics which will be used as the benchmark for ongoing improvements in our management and active monitoring processes as the Company’s operations expand.

Over the course of the year we have been collecting energy consumption, monitoring air quality through sampling, refining our water usage, noise monitoring and continuous particulate monitoring and management of mining and non-mining waste.

The key activities steps and impact areas and measured results which form the baseline data going forward are as follows:

1. Madagascar Projects:

Energy consumption:

GHG Emission Scopes	CO2 emission (Ton)	Intensity Ratio CO2 emission (Kg/MT of Prod)
Scope 1	631/Ton	0.478
Scope 2	0/Ton	0.000
Scope 3	31/Ton	0.024

The Company has reduced its energy requirements across its processing requirements by the following activities:

- By choosing a resource that is saprolitic in nature. This has led to:
  - Zero Blasting Requirements
  - Reduced Mining Fleet Requirement
  - Reduced processing circuit by 2 steps – 1 more milling and 1 crushing
- Development of a new process which extracts sand at first stage of processing. This has led to:
  - Reduced circuit load, hence reducing capacity of each equipment by 20-50%, varying between equipments and hence total energy requirement of processing
  - It has reduced the number of additional steps required in processing by 3 steps –2 additional floatation cells and 1 additional screening process.
- Development of Renewable Energy Source:
  - The Company has completed a definitive feasibility study for establishment of a hydropower generation plant
  - The Company plans to establish this in 2021-2022 and shall meet all its energy requirements from the same.
  - The company has also installed solar power generation units for meeting its energy requirements for admin/residential facilities at the project sites
- The Company uses high efficiency equipments, motors etc to improve its energy efficiency across its operations.

Waste management

- From Processing:
  - The Company has reduced its processing waste by 45-50% by using its newly developed processing technology, extracting sand as a by-product
  - A tailing reconditioning dam has been set up which helps in management of waste from processing
  - The remaining solid waste from processing constitutes mainly clay. The Company is using this for social development activities and plans to provide skill development for manufacturing bricks using this.
- From Mining:
  - Mining generates two kinds of materials – ore and overburden, the mining strip ratio achieved is 2:1 (Overburden:Ore)
  - From the ore which is 30% of mined materials, the Company has achieved >85% recovery of the constituent graphite. Remaining waste from ore have been utilised as mentioned above.
  - The topography of the region is hilly. The remaining 70% is the mined overburden which the Company is using for land filling in non-mineralised regions which shall be used for CSR activities like settlements, horticulture etc.
  - The green cover in the mining areas is not very dense. The loss in greenery is compensated by plantations across the projects and alongside government initiatives

Water Management:

- The water required for processing are sourced from natural sources available across the Company's projects
- 80-90% of the water in the circuit is recycled, remaining 10-20% water is lost in drying.

Air quality:

- The DG sets used for producing energy are installed with high quality air filters which are regularly maintained and changed, filtering gases produced.
- The Company has incorporated a natural gas based drying system massively reducing emissions from processing and improving the quality of air.
- The Company follows a zero-dust policy under which it has installed dust collection mechanisms in operations and uses automated and closed finishing technologies reducing generation of dust.

Sustainable Construction:

- The Company uses naturally available materials and its by-product sand to develop the internal infrastructure like residential & admin blocks, roads etc. Further, traditional and environment friendly materials used for construction.
- The Company has used geotextiles in construction to ensure sustainable and long-lasting structures.
- The Company also uses local breeds of plants to control soil erosion on slopes.

Other Activities:

- The Company also participates in plantation activities organised by NGOs and the government.

2. Indian Projects:

- The company has developed unique proprietary green processes for manufacturing hi-tech graphite products like high purity graphite:
  Currently, two processes are used across the globe for manufacturing high purity graphite - by use of Hydro Fluoric acid (HF) or by intensive heat treatment. The company has developed a Zero-HF, non-heat intensive process for purification achieving 99.95% plus purity levels. This makes it highly environment friendly and also reduces carbon footprint of the material.
- The high purity process developed has Zero waste generation. All inputs in the process are achieved as products or by-products.
- The company's projects are all incorporated with plans to have large green belts of plantations. Plantations have also been done at the Patalganga Project.
- Dust control systems mechanisms are installed at the Patalganga Project.
- Energy is sourced from the grid at the Patalganga Project which constitutes a mix of electricity generated from hydropower and conventional sources.
- The water required in processing of the specialty graphite products shall be recycled and reused.
- The graphene manufacturing process is also a zero-chemical process developed by the company, making it highly environment friendly compared to other processes like Hummer's Process.

Targets for 2020:

The Company intends to continue its focus on reducing its carbon footprint by implementing its strategy of using sustainable energy sources. It has completed a feasibility study on the use of hydro power at Sahamamy and will commence the approvals process to commence the transition.

Long Term

Undertake full feasibility study on the use of sustainable energy at Vatomina.

This report was approved by the board of directors on 4 October 2020 and signed on its behalf by

Mr Shishir Poddar
Executive Chairman and Managing Director

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 2020.

The Corporate Governance Statement forms part of this report.

Results and dividends

The audited financial statements for the year for the Group and Company are set out on pages 59 – 84.

No dividends will be distributed for the period ended 31 March 2020.

Financial instruments

Information about the use of financial instruments is given in note 22 to the financial statements.

Incorporation

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

Future prospects

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

Share capital

Details of the authorised and issued share capital, together with details of the movements in the Company’s issued share capital during the year are shown in note 21.

As on date of this report, the Company has issued 61,421,100 class of ordinary shares. Each share carries the right to vote at general meetings of the Company, dividend and capital distribution (including on winding up) rights but do not confer any rights of redemption.

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

Memorandum and Articles of Association

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

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

Liability of members limited

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

Articles

Issue of shares

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

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

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

Directors

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

Shishir Poddar	- Chairman and Managing Director
Hemant Poddar	- Non-Executive Director
Christian Dennis	- Non-Executive Director
Rajesh Kedia	- Non-Executive Director
Lincoln John Moore	- Non-Executive Director (appointed 1 August 2020)

Biographical details of the Directors are given on page 3.

The interests of the Directors in the shares of the company at 31 March 2020 are as follows:

Director	**Number of ordinary shares**
Shishir Poddar	**1,171,429**
Hemant Poddar	**765,000**
Christian St John-Dennis	**974,131**
Rajesh Kedia	**282,608**

Charitable and political donations

The Company did not make any political or charitable donations during the financial period except the investment in community development programme as detailed in the Corporate Social responsibility section of this report.

Employees

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

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

Health and safety

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

Substantial shareholdings

As at 22 September 2020, 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**	**48.14**
Nicolas Petitjean	**4,615,300**	**7.51**
Mrs & Mr S G W Bruschini	**3,560,869**	**5.80**
Momentous Investments Limited	**2,360,000**	**3.84**
Optiva Securities Ltd	**3,562,644**	**5.80**

Statement of Directors’ responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and have also chosen to prepare the parent company financial statements under IFRS as adopted by the European Union. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the directors are required to:

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

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

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

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

Statement of disclosure to independent auditors

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

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

Independent auditor

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

Annual general meeting

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

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

We confirm that to the best of our knowledge:

(i) the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

(ii) the Directors' report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

As at year end 31 March 2020, Tirupati Graphite Plc was not listed on any UK exchange and is not required to comply with the requirements of the 2016 U.K. Corporate Governance Code ("the Code") as issued by the Financial Reporting Council. Recognising the value of good governance practices, the Company has opted to comply with the QCA Code, so far is practicable given the Company's size and nature and present the corporate governance code below.

The Directors are committed to ensuring the highest standards of corporate governance as defined under the QCA Code, so far is practicable, given the Company's size and nature, and complies with, subject to exceptions listed below, the supporting principles and provisions set out in the QCA Code.

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. Training is available for new and existing Directors as necessary.

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

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

Director	Number of meetings attended
Shishir Poddar	**3**
Hemant Poddar	**1**
Christian St John-Dennis	**3**
Rajesh Kedia	**3**

Board objectives and operation

The key objectives of the Board are as follows:

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

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

Insurance cover

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

Nominations Committee

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

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

Appraisal of Executive Directors

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

Audit Committee

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

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

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

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

The Audit Committee met once during the year and once after the year end. Matters considered at these meetings included: reviewing and approving the report and financial statements for the period ended 31 March 2020; 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 Rajesh Kedia and Mr. Lincoln John Moore and is chaired by Shishir Kumar Poddar.

Internal controls

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

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

Remuneration Committee

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

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

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

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

Directors’ emoluments

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

	Salary and fees £	Pension £	Benefits £	2019 Total £
Mr Shishir Kumar Poddar	**180,000**	-	-	**180,000**
Mr Christian Dennis	**48,000**	-	-	**48,000**
Mr Hemant Kumar Poddar	**48,000**	-	-	**48,000**
Mr Rajesh Kedia	**40,000**	-	-	**40,000**
TOTAL	**316,000**	-	-	**316,000**

Dialogue with major shareholders

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

Annual general meeting

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

This report was approved by the board of directors on 4 October 2020 and signed on its behalf by

Mr Shishir Poddar
Executive Chairman and Managing Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TIRUPATI GRPAHITE LIMITED

Qualified 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 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated and Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, 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 2020 and of the group's and parent company's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

The group's inventories are carried in the Statement of Financial Position at £150,105. As a result of the travel restrictions in place throughout the COVID-19 pandemic, it has not been possible to attend a physical inventory count and thus no assurance over the existence of inventory has been obtained. Consequently, we were unable to determine whether any adjustment to this amount was necessary.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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 qualified opinion.

Conclusions relating to going concern

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

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

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. 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. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the inventory quantities of £105,105 held at 31 March 2020. We have concluded that where the other information refers to the inventory balance or related balances such as cost of sales, it may be materially misstated for the same reason.

Opinion on other matters prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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

Except for the matter described in the basis for qualified opinion section of our report, in 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.

Arising solely from the limitation on the scope of our work relating to inventory, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and return; or
- certain disclosures of directors' remuneration specified by law are not made.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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.

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.

Jonathan Bradley-Hoare (Senior Statutory Auditor)

For and on behalf of PKF Littlejohn LLP

Statutory Auditor

15 Westferry Circus

Canary Wharf

London E14 4HD

5 October 2020

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2020

	Notes	2020 £	2019 £
Continuing operations			
Revenue	**6**	793,577	145,207
Cost of Sales	**7**	(411,899)	(150,325)
Gross profit		**381,678**	**(5,118)**
Administrative expenses	**7**	(1,193,650)	(1,139,320)
Operating loss		**(811,972)**	**(1,144,438)**
Finance costs	**9**	(46,003)	(2,827)
Loss before income tax		**(857,975)**	**(1,147,265)**
Income tax	**10**	(54,767)	33,557
Loss for the year attributable to owners of the Company		**(912,742)**	**(1,113,708)**
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(1,382)	4,714
Total comprehensive loss for the year attributable to the Group		**(914,309)**	**(1,108,994)**
Loss per share attributable to owners of the Company		Pence per share	Pence per share
From continuing operations:			
Basic & diluted	**11**	**1.53p**	**1.93p**

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

Consolidated and Company Statement of Financial Position

As at 31 March 2020

		Group		Company	
		2020	2019	2020	2019
		£	£	£	£
	Notes				
Non-current assets					
Investments in subsidiaries	12	-	-	3,539,448	3,539,448
Property, plant and equipment	13	1,980,635	1,134,406	544,209	220,400
Deferred tax		49,422	33,498	-	-
Deposits		2,121	-	-	-
Intangible assets	11	3,691,243	3,902,234	153,001	116,842
Total non-current assets		**5,723,421**	**5,070,138**	**4,236,658**	**3,876,690**
Current assets					
Trade and other receivables	14	409,309	431,244	2,709,828	2,095,413
Inventory	15	150,105	56,501	-	-
Cash and cash equivalents		46,640	44,681	34,955	8,289
Total current assets		**606,054**	**532,426**	**2,744,783**	**2,103,702**
Current liabilities					
Trade and other payables	16	427,871	701,983	433,355	768,897
Total current liabilities		**427,871**	**701,983**	**433,355**	**768,897**
Net current assets/(liabilities)		**178,183**	**(169,557)**	**2,311,428**	**1,334,805**
Non-current liabilities					
Borrowings	19	810,000	-	810,000	-
Other payables	16	817,388	43,907	779,621	-
Total non-current liabilities		**1,627,388**	**43,907**	**1,589,621**	**-**
NET ASSETS		**4,274,216**	**4,856,674**	**4,958,465**	**5,221,495**
Equity					
Share capital	20	1,498,132	1,470,275	1,498,132	1,470,275
Share premium account		5,328,517	5,024,524	5,328,518	4,974,524
Foreign exchange reserve		3,147	4,714	-	-
Retained losses		(2,555,580)	(1,642,839)	(1,868,185)	(1,233,304)
Equity attributable to owners of the Company		**4,274,216**	**4,856,674**	**4,958,465**	**5,211,495**
TOTAL EQUITY		**4,274,216**	**4,856,674**	**4,958,465**	**5,221,495**

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

The loss for the parent company for the year was £634,881 (2019: £920,150).

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 2 October 2020 and signed on its behalf by:

Mr Shishir Poddar
Director

Mr Christian St. John-Denis
Director

Company registration number: 10742540

Consolidated Statement of Changes in Equity

For the year ended 31 March 2020

	Share capital	Share premium	Foreign exchange reserve	Retained losses	TOTAL EQUITY
	£	£	£	£	£
Balance at 1 April 2018	**1,125,065**	**3,025,166**	**-**	**(529,131)**	**3,621,100**
Total comprehensive income:					
Loss for the period	-	-	-	(1,113,708)	(1,113,708)
Forex exchange gain/loss	-	-	4,714	-	4,714
Transactions with owners:					
Shares issued	345,210	2,024,358	-	-	2,369,568
Cost of shares issued	-	(75,000)	-	-	(75,000)
Share subscription received pending allotment	- -	50,000	-	-	50,000
Balance at 31 March 2019	**1,470,275**	**5,024,524**	**4,714**	**(1,642,839)**	**4,856,674**
Total comprehensive income:					
Loss for the period	-	-	-	(912,742)	(912,742)
Forex exchange gain/loss	-	-	(1,567)	-	(1,567)
Transactions with owners:					
Shares issued	27,857	362,144	-	-	390,001
Cost of shares issued	-	(8,150)	-	-	(8,150)
Share application money	-	(50,000)	-	-	(50,000)
Balance at 31 March 2020	**1,498,132**	**5,328,518**	**3,147**	**(2,555,581)**	**4,274,215**

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

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

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

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

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.

Company Statement of Changes in Equity

For the year ended 31 March 2020

	Share capital	Share premium	Retained losses	TOTAL EQUITY
	£	£	£	£
Balance at 1 April 2018	**1,125,065**	**3,025,166**	**(313,154)**	**3,837,077**
Total comprehensive income:				
Loss for the period	-	-	(920,150)	(920,150)
Transactions with owners:				
Shares issued	345,210	2,024,358	-	2,369,568
Cost of shares issued	-	(75,000)	-	(75,000)
Balance at 31 March 2019	**1,470,275**	**4,974,524**	**(1,233,304)**	**5,211,495**
Total comprehensive income:				
Loss for the period	-	-	(634,881)	(634,881)
Transactions with owners:				
Shares issued	27,857	362,144	-	390,001
Cost of shares issued	-	(8,150)	-	(8,150)
Balance at 31 March 2020	**1,498,132**	**5,328,518**	**(1,868,185)**	**4,958,465**

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

Consolidated Statement of Cash Flows

For the year ended 31 March 2020

	2020 £	2019 £
Operating loss	**(912,742)**	**(1,212,784)**
Adjustment for:		
Depreciation	127,100	105,645
Increase in inventories	(93,604)	(54,343)
Decrease in receivables	21,935	404,754
Increase in payables	(274,112)	8,238
Convertible loan note costs	56,700	-
Finance costs	46,003	2,827
Income tax	(54,767)	33,557
Net cash used in operating activities	**(1,083,487)**	**(712,108)**
Cash flows from investing activities:		
Investment in subsidiary	-	(801,927)
Purchase of tangible assets	(846,229)	(821,554)
Purchase of other assets	(18,045)	(152,264)
Net movement in intangible assets	210,990	(415,468)
Net advances received	(73,899)	99,313
Net cash from investing activities	**(727,183)**	**(2,091,901)**
Cash flows from financing activities		
Shares issued	340,001	2,419,568
Cost of shares issued	(8,150)	(75,000)
Proceeds from issue of Convertible loan notes	810,000	-
Cost of issue of Convertible loan notes	(56,700)	-
Finance cost	(46,003)	-
Receipt from long term liabilities	773,481	-
Net cash from financing activities	**1,812,629**	**2,344,568**
Net increase/(decrease) in cash and cash equivalents	**1,959**	**(459,441)**
Cash and cash equivalents brought forward	44,681	504,122
Cash and cash equivalents carried forward	**46,640**	**44,681**

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

Company Statement of Cash Flows

For the year ended 31 March 2020

	2020 £	2019 £
Operating loss	**(634,880)**	**(920,150)**
Adjustment for:		
Foreign exchange loss	9,621	-
(Increase) in receivables	(616,060)	(968,408)
Increase in payables	456,799	105,947
Finance costs	46,003	2,827
Net cash used in operating activities	**(738,517)**	**(1,779,784)**
Cash flows from investing activities:		
Purchase of tangible assets	(333,809)	(759,848)
Purchase of intangible assets	(36,159)	(116,842)
Net cash from investing activities	**(369,968)**	**(876,690)**
Cash flows from financing activities		
Shares issued	390,001	2,369,568
Cost of shares issued	(8,150)	(75,000)
Proceeds from issue of convertible loan notes	810,000	-
Finance costs	(56,700)	(2,827)
Net cash from financing activities	**1,135,151**	**2,344,568**
Net increase/(decrease) in cash and cash equivalents	**26,666**	**(364,733)**
Cash and cash equivalents brought forward	8,289	373,022
Cash and cash equivalents carried forward	**34,955**	**8,289**

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

1. General information

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

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the strategic report on pages 30 – 37.

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

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

New standards

i) As of 1 April 2019, the Group adopted, IFRS 16 Leases, which replaced IAS 17. IFRS 16 introduced a single, on balance sheet accounting model for leases. As a result, the Group, as a lessee, is required to recognise use-of-right assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. Accordingly, the comparative information presented for 2019 has not been restated. The details of the changes in accounting policies are disclosed below. 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, being the present value of minimum lease payments, and subsequently at cost less any accumulated depreciation and impairment losses.

The Group has applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term when applying IFRS 16 to leases previously classified as operating leases under IAS 17. The result of initially applying IFRS 16 as at 1 April 2019, would not have a material impact to the balance sheet including retained earnings, and therefore no adjustment as at 1 April 2019 has been made to opening retained earnings.

As of 1 April 2019, the Company adopted IFRS16 Leases, IFRIC 23 Uncertainty over leases, IFRS 9 (Amendments) Prepayment features with negative compensation, IAS 19 (Amendments) Plan amendment, curtailment or settlements and IAS 28 (Amendments) Long term interests in associates and joint ventures. Of the other IFRSs and IFRICs, none are expected to have a material effect on future Company Financial Information.

ii) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted.

New and revised IFRSs in issue but not yet effective

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

Standard	Impact on initial application	Effective date
IFRS 3 (Amendments)	Definition of a Business	*1 January 2020
IAS 1 (Amendments)	Definition of material	1 January 2023
IAS 8 (Amendments)	Definition of material	1 January 2020
IAS 1	Classification of Liabilities as Current or Non-Current.	1 January 2022

**Subject to EU endorsement*

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

3. Significant accounting policies

Basis of preparation

These consolidated financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations (IFRS IC) as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS.

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

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

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

Going concern

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

Taking in to account the comments above, the Directors have, at the time of approving the financial statements, a reasonable expectation that the Group and have adequate resources to continue in operational existence for the foreseeable future. Were the Company be unable to raise additional funds in the foreseeable future, the directors would implement cost saving measures such as the deferral of management salaries and continue to generate revenues in order to meet its liabilities as they fall due. Therefore, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Notwithstanding the loss incurred during the year under review along with the changes made by the Group and subject to the markets being opened after the Covid-19 is over or contained. The Directors have prepared and reviewed a cash flow forecast including consideration of the impact of COVID-19. The forecast contains certain assumptions about the level of future sales and margins achievable. The Directors have considered various future scenarios in their forecasting to enable them to adequately consider whether the Group has adequate resources to continue in operational existence.

Basis of consolidation

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

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

Segment reporting

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

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods 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 of over time, depending on the nature of the goods or services and existence of acceptance clauses.

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

Foreign currencies

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

Taxation

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

Current tax
Current tax is based on taxable profit or loss for the year. Taxable profit or loss differs from net profit or loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.
Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business

combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

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

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

Assets Under Construction

Expenditure is transferred from “Exploration and evaluation” assets to mining rights within “Mines under construction” once the work completed to date supports the future development of the property and such development receives the requisite approvals. All subsequent expenditure on technically and commercially feasible sites is capitalised within mining rights.

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

Mines under construction are stated at cost. The initial cost comprises transferred exploration and evaluation assets, construction costs, infrastructure facilities, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and, for qualifying assets, borrowing costs. Costs are capitalised and categorised between mining rights and construction in progress respectively according to whether they are intangible or tangible in nature.

Property, plant and equipment

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

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

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

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

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

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

Development costs

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

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

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

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

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

Exploration and evaluation assets

Exploration and development costs are carried forward in respect of areas of interest where the consolidated entity's rights to tenure are current and where these costs are expected to be recouped through successful development and exploration, or by sale. Alternatively, these costs are carried forward while active and significant operations are continuing in relation to the areas of interest and it is too early to make reasonable assessment of the existence or otherwise of economically recoverable reserves. When the area of interest is abandoned, exploration and evaluation costs previously capitalised are impaired.

Costs incurred by the Company on behalf of its subsidiaries and associated with mining development and investment are capitalised on a project-by-project basis pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads. If a mining development project is successful, the related expenditures will be written-off over the estimated life (useful economic life) of the commercial ore reserves on a unit of production basis. Impairment reviews are carried out regularly by the Directors of the Company. Where a project is abandoned, or is considered to be of no further commercial value, the related costs will be written off to the Statement of Comprehensive Income.

The recoverability of these costs is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposal of recoverable reserves.

Intangible assets acquired in a business combination

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

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

Derecognition of intangible assets

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

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.

<u>Loans and receivables</u>

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

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

Financial assets are measured upon initial recognition at fair value plus transaction costs directly attributable to the acquisition of the financial assets, except for financial assets measured at fair value through profit or loss in respect of which transaction costs are recorded in profit or loss. Other financial assets are classified into the following specified categories: financial assets as "at fair value through profit and loss" and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Cash and cash equivalents

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

Financial assets - impairment

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

Non-financial assets - impairment

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

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

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

Financial liabilities and equity instruments issued by the group

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

Trade payables

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

Borrowings

These financial liabilities are all non-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.

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

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

A financial liability is classified as held for trading if:

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

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

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

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

Leases

The Group leases certain plant and equipment. Leases of plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases under IFRS 16. Finance leases are capitalised on the lease's commencement at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Other leases are either small in value or cover a period of less than 12 months.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in long-term borrowings. The interest element of the finance cost is charged to the Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Assets obtained under finance leases are depreciated over their useful lives. The lease liabilities are shown in note 18.

Rent payable under operating leases on which the short term exemption has been taken, less any lease incentives received, is charged to the income statement on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

On 1 April 2019, the Group adopted all of the requirements of IFRS 16 – Leases. IFRS 16 Leases was issued in January 2016 and provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

In the Statement of Financial Position the right-of-use asset is recorded in Noncurrent assets and the lease liability is split between Current liabilities for the portion due within 12 months and Noncurrent liabilities for the remainder.

To determine the split between principal and interest in the lease the incremental borrowing rate of the Group was applied. This method was adopted as the Group was not able to ascertain the implied interest rate in each lease.

Other financial liabilities

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

Share capital

Ordinary shares

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

4. Critical accounting estimates and judgements

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

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

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

a. 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.

5. Segmental analysis

The Chief Decision Maker believes, under IFRS 8 – "Segmental Information", the Group operated in three primary business segments in 2018, being holding company expenses, mining exploration and development and graphite mining extraction.

Segmentation by continuing businesses

Segment results

	2020	2019
	£	£
Revenue to external customers		
Graphite Mining Extraction	**793,577**	145,172

Loss before income tax		
Holding Companies	**(609,868)**	(920,150)
Mining Development	**(193,042)**	(100,782)
Graphite Mining Extraction	**(55,065)**	(126,333)

Net assets/(liabilities)		
Holding Company	**5,440,186**	5,336,652
Mining Development	**(193,749)**	(306,253)
Graphite Mining Extraction	**(573,146)**	(173,725)

Segmentation by geographical area:

	2020	2019
	£	£
Revenue to external customers		
UK	**793,577**	145,207
Mauritius	**-**	-
Madagascar	**-**	-

Loss before income tax		
UK	**634,881**	920,150
Mauritius	**20,079**	98,021
Madagascar	**261,079**	129,094

Net assets		
UK	**5,593,346**	5,158,987
Mauritius	**189,322**	177,664
Madagascar	**(530,416)**	(479,978)

6. Revenue from contracts with customers

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

2020	**USA**	**Europe**	**India**	**Total**
Revenue from external customers	41,022	122,408	630,147	793,577
Timing of recognition:				
At a point in time	41,022	122,408	630,147	793,577

2019	**USA**	**Europe**	**India**	**Total**
Revenue from external customers	-	-	145,172	145,172
Timing of recognition:				
At a point in time	-	-	142,172	142,172

7. Expenses by nature

	2020	2019
	£	£
The following items have been included in arriving at operating loss		
Depreciation	**127,100**	105,645
Net foreign exchange loss	**1,382**	143,506

TIRUPATI GRAPHITE

Auditor's remuneration has been included in arriving at operating loss as follows:		
Fees payable to the Company's auditor and their associates for the audit of the Group's annual accounts	**33,209**	24,000
Total non-audit fees	**-**	-

8. Employee information

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

	2020	2019
Number of employees for the year:	**150**	120

	£	£
Staff costs (for the above employees)	**380,892**	472,262
Social security costs	**-**	10,117
	380,892	482,379

Directors' remuneration and transactions

	2020	2019
	£	£
Directors' remuneration		
Emoluments and fees	**324,000**	316,000

	£	£
Remuneration of the highest paid director:		
Emoluments and fees	**180,000**	180,000
Benefits and other fees	**-**	-

9. Finance cost

	2020	2019
	£	£
Interest payable	**46,003**	2,827

10. Income tax

	2020	2019
	£	£
Total current tax	**-**	-
Deferred tax charged to the income statement	**54,767**	(33,557)
	54,767	(33,557)
The tax assessed for the period is different from the standard rate of income tax, as explained below:		
Loss before tax on continuing operations	**(857,975)**	(1,215,701)
Loss before tax multiplied by the standard rate of income tax of 20%	**(171,595)**	(229,426)

Tax losses carried forward	**116,828**	262,983
Adjustments to tax charge in respect of prior periods	**-**	(33,557)
Tax (credit)/charge for period	**54,767**	-

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.

	2020	2019
Continuing operations:		
Loss attributable to equity holders of the Company (£)	**(912,742)**	(1,113,708)
Weighted average number of shares in issue	**59,756,437**	57,772,841
Loss per share (pence)	**1.53p**	1.93p

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

12. Intangible Assets

Group	**Exploration assets**
Cost	**£**
At 1 April 2019	3,902,234
Additions	135,766
Impairment	(346,756)
At 31 March 2020	**3,691,244**
Accumulated amortisation	
At 1 April 2019	-
Charge for the year	-
At 31 March 2020	**-**
Net book value	
At 1 April 2019	3,902,234
At 31 March 2020	**3,691,244**

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

Exploration and evaluation assets have no useful economic life per IFRS 6 and are tested for impairment annually.

13. Investments

Company	**Shares in group undertaking**
Cost	**£**
At 1 April 2019	3,539,448
At 31 March 2020	**3,539,448**
Net book value	
At 1 April 2019	3,539,448
At 31 March 2020	**3,539,448**

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

Subsidiaries

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

Nature of business: Holding and administrative entity

	%
Class of share	Holding
Ordinary shares	100

Tirupati Madagascar Ventures
Registered: Mining Business Center, Box No – 5, Lot K 7, Mamory, Ivato, Antananarivo 105, Madagascar
Nature of business: Evaluation and exploration of mining operations

	%
Class of share	Holding
Ordinary shares	100*

*indirectly through Tirupati Resources Mauritius

Establissements Rostaing
Registered: Lot II N 95 SB BIS E, Ambatobe, Antananarivo 103, Madagascar
Nature of business: Graphite mining extraction

	%
Class of share	Holding
Ordinary shares	100*

** 95% held indirectly by Tirupati Resources Mauritius*

14. Property, plant and equipment

Group	Plant and Machinery	Fixtures and Fittings	Assets under construction	Development costs	Total
	£	£	£		£
Cost					
At 1 April 2018	166,608	8,423	191,847	-	366,878
Additions	606,559	74,095	37,714	220,400	928,768
At 1 April 2019	773,167	82,518	219,561	220,400	1,295,646
Additions	476,457	34,301	138,762	323,809	**973,329**
At 31 March 2020	**1,249,624**	**116,819**	**358,323**	**544,209**	**2,268,975**
Accumulated depreciation and impairment					
At 1 April 2018	50,055	3,971	-	-	54,026
Depreciation	101,208	6,006	-	-	107,214
At 1 April 2019	151,263	9,977	-	-	161,240
Depreciation	103,098	24,002	-	-	127,100
At 31 March 2020	254,361	33,979	-	-	288,340
Carrying amount					
As at 1 April 2019	621,904	72,541	219,561	220,400	1,134,406
As at 31 March 2020	**995,263**	**82,840**	**358,323**	**544,209**	**1,980,635**

Company	**Development costs**	**Total**
	£	**£**
Cost	**£**	
At 1 April 2018		-
Additions	220,400	220,400
At 1 April 2019	**220,400**	**220,400**
Additions	323,809	**323,809**
At 31 March 2020	**544,209**	**544,209**
At 1 April 2018		-
Depreciation	-	-
At 1 April 2019	-	-
Depreciation	-	-
At 31 March 2020	-	**-**
	-	
Carrying amount		
As at 1 April 2019	**220,400**	**220,400**
As at 31 March 2020	**544,209**	**544,209**

15. Trade and other receivables

	Group		**Company**	
	2020	2019	**2020**	2019
	£	£	**£**	£
Trade receivables	208,476	13,339	208,476	13,043
Other debtors	217,693	415,544	103,764	159,715
Advances to directors for expenses	-	1,311	-	1,311
Amounts owed by group undertakings	-	-	2,397,588	1,921,345
Prepayments	7,887	1,030	-	-
	409,309	**431,224**	**2,709,828**	**2,095,413**

In the Directors' opinion, the carrying amounts of receivables is considered a reasonable approximation of fair value. The Group monitors on a monthly basis the receivable balance and makes impairment provisions when debt reaches a certain age. There are no significant known risks as at 31 March 2020.

16. Inventories

	Group	
	2020	**2019**
Cost and net book value	**£**	**£**
Raw materials and consumables	57,600	25,725
Finished and semi-finished goods	92,505	30,776
	150,105	**56,501**

As at 31st March 2020, the Company held no inventory.

The value of inventories recognised in cost of sales was £406,621 (2019: £150,325).

17. Trade and other payables

Current:

	Group		Company	
	2020	2019	**2020**	2019
	£	£	**£**	£
Trade payables	272,407	355,222	135,362	163,707
Social security and other taxes	25,044	9,344	25,044	3,842
Other payables	11,229	50,317	5,770	50,000
Amounts due from group	-	-	163,566	135,779
Accruals	119,191	287,100	103,613	415,383
Advances to directors for expenses	-	-	-	186
	427,871	701,983	**433,355**	768,897

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

Non-current:

	Group		Company	
	2020	2019	**2020**	2019
	£	£	**£**	**£**
Director's remuneration	**632,015**	-	**632,015**	-
Management Salary Payable	**147,606**	-	**147,606**	-
Lease liability	**37,767**	43,907	**-**	-
	817,388	43,907	**779,621**	**-**

18. Provisions

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

19. Leases

The Group holds leases that it accounts for under IFRS 16 – Leases. Other leases are either small in value or cover a period of less than 12 months.

To determine the split between principal and interest in the lease, the incremental cost of borrowing for the Group has been applied, at 10%. This method was adopted as the Group was unable to ascertain the implicit rate in each lease agreement.

	2020
For the year	
Cashflow	4,404
Depreciation charge	1,774
Interest charge	3,753
At 31 March 2020	
Right-of-use asset	
At 1 April 2019	37,015
Additions	-
Depreciation	(1,774)
Foreign exchange	353
At 31 March 2020	35,594
Total lease liability	37,013

Lease liabilities are included in trade and other payables as shown in note 17.

Rent payable under operating leases, less any lease incentives received, is charged to Administrative expenses on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease assets are consumed.

20. Borrowings

On 13th June 2019 the Company raised an initial £200k through a convertible loan note instrument ("CLN"). Between issue date and 31st March 2020, a further £610k has been raised under this agreement. Interest on the CLN is chargeable at 12%, and the Company have the capacity to raise £3m through this vehicle.

	2020	**2019**
Within one year	-	-
Between 2 and 5 years	810,000	-
	810,000	

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 the 31 May 2022.

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.

21. Share capital

	2020 Number	**2020 £**	2019 Number	2019 £
Allotted, called up and fully paid				
Ordinary shares of 2.5p each	**59,925,243**	**1,498,131**	58,810,955	1,470,274
Ordinary "A" Shares	**59,925,243**	**1,125,065**	58,810,955	1,125,065

Shares were issued during the year as follows:

	Number of shares issued
Shares issued from a placing on 2 April 2019	185,715
Shares issued from a placing on 18 April 2019	428,572
Shares issued from a placing on 15 May 2019	142,858
Shares issued from a placing on 13 August 2019	357,143
	1,114,288

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 parent, comprising issued capital and retained earnings.

Fair value of financial assets and liabilities

	Valuation, methodology and hierarchy	Book value 2020 £	Fair value 2020 £	Book value 2019 £	Fair value 2019 £
Financial assets					
Cash and cash equivalents	(a)	**46,640**	**46,640**	44,681	44,681
Loans and receivables, net of impairment	(a)	**401,422**	**401,422**	431,244	431,244
Total at amortised cost		**448,062**	**448,062**	475,925	475,925
Financial liabilities					
Trade and other payables	(a)	**1,220,215**	**1,220,215**	701,983	701,983
Borrowings and provisions	(a)	**810,000**	**810,000**	43,907	43,907

Total at amortised cost	**2,030,215**	**2,030,215**	745,890	745,890

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 2019. The Group considers its maximum exposure to be:

	2020	2019
	£	£
Financial assets		
Cash and cash equivalents	**46,640**	44,681
Loans and receivables, net of impairment	**409,309**	431,244
	455,949	475,925

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:

31 March 2020	**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	**1,220,215**	**-**	**402,827**	**-**	**779,621**	**37,767**
Borrowings	**810,000**	**-**	**-**	**-**	**-**	**810,000**

2,055,259	**-**	**402,827**	**-**	**779,621**	**847,767**

Cash flow management

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

Currency risk

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

23. Related party transactions

Tirupati Carbons and Chemical Pvt Limited (TCCPL) is an entity incorporated in India. The Company is connected to TCCPL in that both Shishir Poddar and Hemant Poddar were both directors and shareholders of TCCPL during the year. At year end, included within debtors was an amount of £80,790 (2019: £135,005) and revenue recorded for the year of £101,659 (2019: £131,714) from TCCPL.

Tirupati Speciality Graphite Private Limited (TSG) is an entity incorporated in India. The Company is connected to TSG in that both Shishir Poddar and Hemant Poddar were both directors and shareholders of TSG during the year. At year end, a net amount was receivable of £73,723 (2019 - £13,043) and revenue of £291,662 (2019 - £13,457) from TSG.

Optiva Securities Limited is an entity incorporated in the United Kingdom. The Company is a stockbroker connected to TCCPL as it being the nominated broker of the Company and Christian Gabriel St.John-Dennis one of the directors of the Company holding a position to Optiva Securities Limited during the year. At year end, the Company incurred brokerage and consultancy fees, business development fees and equity subscription premium of £50,894 (2019- £nil) with an outstanding liability of £14,000 (2019- £nil), entered into a 12% Convertible loan subscription amounting to £810,000 during the year which is outstanding as at year-end and share subscription amounting to £290,000 (2019 - £961,000) from Optiva Securities Limited.

24. Events after the reporting period

There are no events to report subsequent to 31 March 2020.