

**BAVARIA CARBON SPECIALITIES GMBH**  
**RÖTHENBACH A.D. PEGNITZ**  
**BALANCE SHEET**  
**AS OF MARCH 31, 2017**

ASSETS

	<u>31-03-2017</u>	<u>31-03-2016</u>
	EUR	EUR
<u>FIXED ASSETS</u>		
Intangible Assets		
Franchises, trademarks, patents, licences, and similar rights and licences to such rights	<u>16,997.00</u>	<u>35,403.00</u>
Property, plant and equipment		
Technical equipment, plant and machines	52,591.00	19,625.00
Other equipment, furniture and fixtures	61,592.00	58,318.00
Prepayments and Assets under construction	<u>1,016.41</u>	<u>0.00</u>
	<u>1,15,199.41</u>	<u>77,943.00</u>
	<u>1,32,196.41</u>	<u>1,13,346.00</u>
<u>CURRENT ASSETS</u>		
Inventories		
Consumables, supplies and goods	<u>55,330.96</u>	<u>56,655.06</u>
Receivables and other assets		
Receivables from shareholders	26,05,586.65	25,18,055.24
Other assets	<u>20,393.46</u>	<u>16,853.04</u>
	<u>26,25,980.11</u>	<u>25,34,908.28</u>
Cash and cash equivalents	<u>20,589.26</u>	<u>24,547.77</u>
	<u>27,01,900.33</u>	<u>26,16,111.11</u>
<u>PREPAID EXPENSES</u>	<u>17,096.82</u>	<u>11,156.50</u>
	<u>28,51,193.56</u>	<u>27,40,613.61</u>

EQUITY AND LIABILITIES

	<u>31-03-2017</u>	<u>31-03-2016</u>
	EUR	EUR
<u>EQUITY</u>		
Capital subscribed	1,00,000.00	1,00,000.00
Accumulated profits brought forward	19,93,960.20	18,37,822.42
Profit of the year	<u>1,97,061.76</u>	<u>1,56,137.78</u>
	<u>22,91,021.96</u>	<u>20,93,960.20</u>
<u>PROVISIONS AND ACCRUALS</u>		
Accruals for pensions and similar obligations	1,93,284.00	2,00,548.00
Tax accruals	506.20	506.20
Other accruals	<u>2,58,369.27</u>	<u>2,45,133.49</u>
	<u>4,52,159.47</u>	<u>4,46,187.69</u>
<u>LIABILITIES</u>		
Amounts owed to credit institutions	495.75	0.00
Trade payables	62,829.20	54,765.53
Liabilities to shareholders	0.00	1,01,988.68
Other liabilities	<u>44,687.18</u>	<u>43,711.51</u>
-thereof for taxes: EUR 44,687.18 (pr. yr.: EUR 43,631.51)	<u>1,08,012.13</u>	<u>2,00,465.72</u>
	<u>28,51,193.56</u>	<u>27,40,613.61</u>

**BAVARIA CARBON SPECIALITIES GMBH**  
**RÖTHENBACH A.D. PEGNITZ**  
**INCOME STATEMENT**  
**FOR THE PERIOD FROM 1 APRIL 2016 TO 31 MARCH 2017**

	<u>2016/17</u> EUR	<u>2015/16</u> EUR
1 Sales	64,37,135.15	62,25,927.17
2 Other operating income	46,938.01	50,738.10
3 Cost of materials		
a) Cost of raw materials and supplies and of purchased merchandise	-2,00,148.91	-1,85,986.29
b) Cost of purchased services	<u>-3,96,846.13</u>	<u>-4,06,081.15</u>
4 <b>Gross Profit</b>	<u>58,87,078.12</u>	<u>56,84,597.83</u>
5 Personnel expenses		
a) Wages and salaries	-34,32,348.06	-32,85,334.52
b) Expenses for social security, pension and other benefits	<u>-6,93,585.24</u>	<u>-6,78,394.92</u>
	<u>-41,25,933.30</u>	<u>-39,63,729.44</u>
5 Amortization and depreciation on intangible assets and property, plant and equipment	-65,798.78	-74,970.82
6 Other operating expenses	<u>-14,16,710.66</u>	<u>-13,96,942.72</u>
7 <b>Operating Income</b>	<u>2,78,635.38</u>	<u>2,48,954.85</u>
8 Interest and similar expenses	-8,523.00	-8,855.00
- thereof from compounding EUR 8,523.00 (previous year: EUR 8,855.00)		
9 <b>Result from ordinary activities</b>	<u>2,70,112.38</u>	<u>2,40,099.85</u>
10 Income Taxes	-73,050.62	-83,962.07

**Bavaria Carbon Specialities GmbH, Röthenbach a. d. Pegnitz**  
**Notes according para 284 – 288 of the German Commercial Code**  
**for the Financial Year 1 April 2016 to 31 March 2017**

## **A. General Information**

Bavaria Carbon Specialities GmbH ("the Company") is domiciled in Röthenbach a. d. Pegnitz and incorporated in the Register of Companies HRB 21199 maintained by the local civil Court Nuremberg.

The annual financial statements of Bavaria Carbon Specialities GmbH have been prepared in accordance with the accounting and financial regulations of the German Commercial Code ("HGB") and the Limited Liability Company Act ("GmbHG").

For the income statement, the total cost method was applied in accordance with § 275 para. 2 HGB was applied. The Company is a small-sized limited liability Company according to § 267 para. 1 HGB. In part, the preparation of the annual financial statements is carried out in utilization of the size-related facilitations according to §§ 274a, 276 and 288 para. 1 HGB.

## **B. Accounting policies**

The accounting and valuation policies applied in the previous year were retained, insofar as there were no diverging valuations necessary or rather there were no adjustments relating to new requirements of Bilanzrichtlinien-Umsetzungsgesetz (BilRUG). The accounting and valuation of items in the balance sheet and income statement are based on the going concern assumption according to § 252 para. 1 no 2 HGB.

Regarding first-time application of Bilanzrichtlinien-Umsetzungsgesetz (BilRUG), there are no adjustments.

The **fixed assets** acquired in August 2004 from the insolvency administrator of the Conradt Group, Dr. Pöhlmann, are valued with the acquisition costs, reduced by the regular straight-line depreciation assuming remaining life of assets to be seven years for plant and machinery and ten years for buildings.

Newly acquired **intangible assets and fixed assets** are valued at the acquisition costs reduced by the straight-line depreciation. Assets manufactured in-house are valued according to the production costs considering adequate parts of the required general and administrative costs. Depreciation is done according to the current official tax depreciation tables.

**Low-value assets** with product related acquisition costs of up to EUR 150.00 are depreciated completely in the year of acquisition and shown in the asset table as a disposal. Capital assets with acquisition costs from EUR 150.00 to EUR 1,000.00 are accumulated in a pool item. Depreciation is done in the year of purchase and the following four years.

**Raw materials, supplies and operating materials** are valued at their acquisition costs including incidental acquisition expenses, taking into account the lower of cost or market.

**Receivable and other assets** are accounted with nominal values. Individual risks are considered by valuation allowances.

**Cash on hand and bank balances** were measured at nominal value.



The **prepaid expenses** relate to payments made before the reporting date, which represent expenses for a certain period after that date.

The **accruals for pensions and similar rights** are valued using the projected-unit-credit method applying the tables 2005 G of Klaus Heubeck. An interest rate of 3.94 %, a pension dynamic of 1.50 % and a fluctuation rate of 0.00 % are assumed. § 253 para. 2 sentence 1 and para. 6 HGB were applied, using the average discount rate of the past 10 years. Consequently, the differential amount and the dividend payout restriction amount to kEUR 29.

**Other accruals** with respect to any risk and expected liabilities are accounted in an amount required for the settlement on the basis of a reasonable commercial assessment and are recognized in consideration of anticipated price and cost increase in the future. For short term accruals, the discounting option was not used.

The **liabilities** are entered in the balance sheet according to their settlement amount.

### C. Comments on the balance sheet

#### Receivables and other assets

The receivables and other assets have a residual maturity of up to one year in the business year as well as in the previous year. Receivables are mostly against affiliated companies and relate to receivables from supplies and services.

#### Other reserves and accrued liabilities

The accrued liabilities mainly consist of accruals for personnel costs kEUR 220, p.y.: kEUR 218.

#### Liabilities

The liabilities have a residual maturity of up to one year in the business year as well as in the previous year and mostly relate to trade liabilities. Liabilities to affiliated companies mostly relate to supplies and services.

### D. Other information

#### Other financial Obligations

Other financial obligations to affiliated companies are mainly rental for office and amount to kEUR 319 which are due with 12 months after balance sheet date.

#### Employees

The annual average of employees amounts to 86 (previous year: 87).

#### Comments on the consolidated accounts

The annual accounts of the company will be included in the consolidated accounts of Graphite International B. V., Rotterdam, The Netherlands, which is a subsidiary of Graphite India Ltd., Kolkata, India. The consolidated accounts of Graphite India Ltd., Kolkata, India, the ultimate parent company, are published in India at National Stock Exchange and Bombay Stock Exchange in Mumbai.

**Management board**

During the financial year 2016/2017, the management was carried out by:

MakarandBhalchandraGadgil, Nasik, India, Bachelor of Technology / Master of Business Administration

Adrian Nikolov Bojilov, Röthenbachan der Pegnitz, Graduate Economist

Nitin Shridharrao Deshpande, Nasik, India, Graduate Mechanical Engineer

**Proposed appropriation of Net Income**

The net profit of the financial year and the retained profit shall be carried forward onto newaccount.

Röthenbach an der Pegnitz, 8 May 2017

M.B. Gadgil

A.N. Bojilov

N.S. Deshpande