

BAVARIA CARBON HOLDINGS GMBH
RÖTHENBACH A.D. PEGNITZ
BALANCE SHEET
AS OF 31 MARCH 2017

ASSETS

FIXED ASSETS

	31-03-2017 EUR	31-03-2016 EUR
Intangible assets		
Franchises, industrial rights and similar rights and assets and licences in such rights and assets	10,43,574.68	10,26,148.10
Property, plant and equipment		
Technical equipment, plant and machines	1,091.00	1,366.00
Other equipment, furniture and fixtures	1,969.00	392.00
Prepayments and Assets under construction	51,355.39	13,185.00
	<u>10,97,990.07</u>	<u>10,41,091.10</u>

CURRENT ASSETS

Receivables and other assets		
Trade receivables	11,635.77	2,034.20
Receivables from shareholders	0.00	1,01,988.68
Other assets	53,813.54	34,389.64
	<u>65,449.31</u>	<u>1,38,412.52</u>

Cash and cash equivalents	24,615.00	21,091.02
	<u>90,064.31</u>	<u>1,59,503.54</u>

<u>PREPAID EXPENSES</u>	535.20	362.04
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<u>DEFERRED TAX ASSETS</u>	92,415.00	0.00
	<u>12,81,004.58</u>	<u>12,00,956.68</u>

EQUITY AND LIABILITIES

EQUITY

	31-03-2017 EUR	31-03-2016 EUR
Capital subscribed	2,50,000.00	2,50,000.00
Capital reserves	25,000.00	25,000.00
Accumulated profits brought forward	4,08,441.25	7,89,112.53
Profit of the year / net loss	1,52,247.40	-3,80,671.28
	<u>8,35,688.65</u>	<u>6,83,441.25</u>

PROVISIONS AND ACCRUALS

Accruals for Taxes	24,142.86	2,703.86
Other accruals	67,393.48	4,93,671.89
	<u>91,536.34</u>	<u>4,96,375.75</u>

LIABILITIES

Trade payables	5,198.16	14,561.14
Liabilities to shareholders	3,33,737.83	0.00
Other liabilities	14,843.60	6,578.54
	<u>3,53,779.59</u>	<u>21,139.68</u>

	<u>12,81,004.58</u>	<u>12,00,956.68</u>
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BAVARIA CARBON HOLDINGS 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	6,13,004.92	2,42,500.00
2 Other operating income	500.00	3,57,230.81
3 Cost of materials		
a) Cost of raw materials and supplies and of purchased merchandise	-90.00	-30.00
b) Cost of purchased services	-84,228.33	-91,645.73
4 Gross Profit	<u>5,29,186.59</u>	<u>5,08,055.08</u>
5 Amortization and depreciation on intangible assets and property, plant and equipment	-32,967.47	-32,158.28
6 Other operating expenses		
a) Operating Costs	-2,52,258.06	-7,08,656.27
b) Administrative Costs	-17,655.07	-55,402.68
c) Other Costs	-4,475.50	-671.06
7 Operating Income	<u>-2,74,388.63</u>	<u>-7,64,730.01</u>
8 Interest and similar expenses	-1,461.31	-299.95
- thereof against affiliated companies EUR 1,442.88 (previous year: EUR 264.37)		
9 Result from ordinary activities	2,20,369.18	-2,89,133.16
10 Income Taxes	34,209.06	-0.03

Bavaria Carbon Holdings 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 Remarks

Bavaria Carbon Holdings GmbH ("the Company") is domiciled in Röthenbach a. d. Pegnitz and incorporated in the Register of Companies HRB 21197 maintained by the local civil Court Nuremberg.

The annual financial statements on hand have been prepared in accordance with the accounting and financial regulations of German Commercial Code ("HGB") and the Limited Liability Company Act.

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

B. Accounting and valuation principles

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.

Because of first-time application of Bilanzrichtlinien-Umsetzungsgesetz (BilRUG), revenues are only comparable with the previous year to a limited extent. Revenues now include revenues from recharge of property taxes to affiliated companies in the amount of EUR 98,084.16 (previous year: EUR 87,737.48) as well as revenues from rental to group companies in the amount of EUR 238,274.15 (previous year: EUR 240,795.09) which were previously included in other income. There is no adjustment for previous year's figures. Further adjustments due to BilRUG do not exist.

Furthermore we made a reclassification of discount income in the amount of EUR 19,754.88 (previous year: EUR 5,788.81) from costs of materials to other costs. This was performed because the discount income relate to costs for maintenance, which are mapped to other costs in the financial statement.

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 in an amount of EUR 150 up to EUR 410 have been completely written-off in the year of acquisition. Low-value assets in an amount from EUR 410 to EUR 1,000 are collective items and depreciated according to a straight-line method over a period of 5 years.

Receivables and other assets are stated at the nominal amount. Foreseeable risks are addressed by individual value adjustments.

Cash and cash equivalents are stated at their nominal amount.

Prepaid expenses are taken into account, insofar as they represent expenses for a certain time after the balance sheet date.

Other accruals were recorded for all identifiable risks and uncertain obligations and at an amount to be paid required using reasonable commercial judgment. For short term accruals, the discounting option was not used.

The **liabilities** are recorded at the amount to be paid.

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.

Accruals

Other accruals are mainly created for maintenance and financial statement costs.

Liabilities

Liabilities have a residual maturity of up to one year and mostly relate to trade liabilities.

D. Other information

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

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

Makarand Bhalchandra Gadgil, Nasik, India, Bachelor of Technology / Master of Business Administration

Adrian Nikolov Bojilov, Röthenbach a. d. 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 new account.

Röthenbach a. d. Pegnitz, 8 May 2017

M.B. Gadgil

A.N. Bojilov

N.S. Deshpande