

BAVARIA CARBON SPECIALITIES GMBH  
RÖTHENBACH A.D. PEGNITZ  
BALANCE SHEET  
AS OF MARCH 31, 2016

ASSETS

A. FIXED ASSETS

I. Intangible Assets  
II. Tangible Assets

B. CURRENT ASSETS

I. Inventories

II. Accounts Receivables and other assets

III. Bank Balances

C. PREPAID EXPENSES

	<u>3/31/2016</u>	<u>3/31/2015</u>
	EUR	EUR
	35,403.00	81,615.00
	<u>77,943.00</u>	<u>78,147.00</u>
	113,346.00	159,762.00
	56,655.06	60,454.76
	2,534,908.28	2,400,480.73
	24,547.77	22,908.84
	<u>11,156.50</u>	<u>45,286.60</u>
	<u><u>2,740,613.61</u></u>	<u><u>2,688,892.93</u></u>

EQUITY AND LIABILITIES

A. EQUITY

I. Subscribed capital  
II. Retained profits  
III. Net profit

B. ACCRUALS

C. LIABILITIES

	<u>3/31/2016</u>	<u>3/31/2015</u>
	EUR	EUR
	100,000.00	100,000.00
	1,837,822.42	1,831,121.01
	<u>156,137.78</u>	<u>206,701.41</u>
	2,093,960.20	1,937,822.42
	446,187.69	495,614.77
	<u>200,465.72</u>	<u>255,455.74</u>
	<u><u>2,740,613.61</u></u>	<u><u>2,688,892.93</u></u>

**BAVARIA CARBON SPECIALITIES GMBH**  
**RÖTHENBACH A.D. PEGNITZ**  
**INCOME STATEMENT**  
**FOR THE PERIOD FROM 1 APRIL 2015 TO 31 MARCH 2016**

	<u>2015/16</u>	<u>2014/15</u>
	EUR	EUR
<b>1. Gross Profit</b>	5,684,597.83	5,528,527.40
2. Personnel expenses		
a) Wages and salaries	-3,285,334.52	-3,347,120.59
b) Expenses for social security, pension and other benefits	-678,394.92	-693,709.89
	<u>-3,963,729.44</u>	<u>-4,040,830.48</u>
3. Amortisation and depreciation		
a) on intangible and tangible fixed assets	-74,970.82	-70,904.81
4. Other operating expenses	-1,396,942.72	-1,136,645.34
<b>5. Operating result</b>	<u>248,954.85</u>	<u>280,146.77</u>
6. Other interest and similar income	0.00	402.00
7. Interest and similar expenses	-8,855.00	-9,334.00
<b>8. Financial result</b>	<u>-8,855.00</u>	<u>-8,932.00</u>
<b>9. Result from ordinary activities</b>	240,099.85	271,214.77
10. Income taxes	-83,962.07	-64,513.36
<b>11. Total taxes</b>	<u>-83,962.07</u>	<u>-64,513.36</u>
<b>12. Net income for the year</b>	<u><u>156,137.78</u></u>	<u><u>206,701.41</u></u>

**BAVARIA CARBON SPECIALITIES GMBH, ROETHENBACH A.D. PEGNITZ**  
**NOTES TO ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR**  
**1. APRIL 2015 TO 31. MARCH 2016**

**A. General Information**

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

For the incomestatement, the total cost method in accordance with § 275 para. 2 HGB was applied.

The company is a small-sized 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 facilities according to §§ 274a, 276 and 288 para. 1 HGB.

**B. Accounting policies**

The accounting and valuation policies applied in the previous year were retained. The accounting and valuation of items in the balance sheet and income statement are based on the going concern assumption according to § 252 sec. 1 Nr. 2 HGB.

The **fixed assets** acquired in August 2004 from the insolvency administrator of the Conrady 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.

**Accounts 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 4.25 %, a pensions dynamic of 1.50 % and a fluctuation rate of 0.00 % are assumed. § 253 Sec. 2 sentence 1 and sec. 6 HGB were applied, using the average discount rate of the past 10 years. Consequently, the dividend payout restriction amounts to KEUR 19.

**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.

The **liabilities** are entered in the balance sheet according to their settlement amount. All liabilities are short-term.

### **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 218, p.y.: kEUR 224).

#### **Payables due to affiliated companies**

Payables due to affiliated companies are related to payables for supplies and services.

### **E. Other disclosures**

#### **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 2015/2016, the management was carried out by:

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

Adrian NikolovBojilov, Röthenbach / Pegnitz, Graduate Economist

Nitin Shridharrao Deshpande, Nasik, India, Graduate Mechanical Engineer

**Proposed appropriation of results**

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

Röthenbach an der Pegnitz, 6 May 2016

M.B. Gadgil

A.N. Bojilov

N.S. Deshpande