

Ejendomsanpartsselskabet Industrivej Nord 13

Industrivej Nord 13, DK-7400 Herning

CVR no. 13 96 64 43

Annual report 2015/16

Approved at the Company's annual general meeting on 19 May 2016

Chairman:



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Hemant Prabhakar Mohgaonkar

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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Ejendomsanpartsselskabet Industrivej Nord 13 for the financial year 1 April 2015 - 31 March 2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 March 2016 and of the results of its operations for the financial year 1 April 2015 - 31 March 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Herning, 19 May 2016
Executive Board:

Hemant Prabhakar Mohgaonkar

Amitabha Mukhopadhyay

Independent auditors' report

To the shareholders of Ejendomsanpartsselskabet Industrivej Nord 13

Independent auditors' report on the financial statements

We have audited the financial statements of Ejendomsanpartsselskabet Industrivej Nord 13 for the financial year 1 April 2015 - 31 March 2016. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 March 2016 and of the results of its operations for the financial year 1 April 2015 - 31 March 2016 in accordance with the Danish Financial Statements Act.

Independent auditors' report

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Esbjerg, 19 May 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR-no. 30 70 02 28



John Lesbo
State Authorised
Public Accountant



Birgitte Nygaard Jørgensen
State Authorised
Public Accountant

Management's review

Company details

Name	Ejendomsanpartsselskabet Industrivej Nord 13
Address	Industrivej Nord 13
Zip code, city	DK-7400 Herning
CVR no.	13 96 64 43
Established	9 January 1990
Registered office	Herning
Financial year	1 April - 31 March
Executive Board	Hemant Prabhakar Mohgaonkar Amitabha Mukhopadhyay
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Havnegade 33 DK-6700 Esbjerg

Management's review

Operating review

Principal activity

The Company's principal activity is to own and lease out property Industrivej Nord 13, DK-7400 Herring, which is also carried out in the subsidiary Boilerworks Properties ApS.

The Company is a fully-owned subsidiary of Thermax Denmark ApS. The ultimate parent company of the company is ARA Trusteeship Company Private Limited (holding shares in Trust), Pune, India, which holds the majority through the listed company Thermax Ltd., Pune, India.

Development in activities and financial matters

Management considers the profit for the year, DKK 2,975 thousand as satisfactory.

Future outlook

Satisfactory results are expected for the financial year 2016/17.

Events after the balance sheet date

No events have occurred after the balance sheet date which may materially affect the Company's financial position.

Financial statements for the period 1 April 2015 - 31 March 2016

Income statement

Note	DKK'000	2015/16	2014/15
	Gross profit	4,136	4,107
5	Impairment losses and depreciation	-889	-886
	Operating profit	3,247	3,221
6	Profit on investments in subsidiary	1,364	1,446
2	Financial income	83	138
3	Financial expenses	-1,231	-1,273
	Profit before tax	3,463	3,532
4	Tax on profit for the year	-489	-502
	Profit for the year	<u>2,974</u>	<u>3,030</u>
	Proposed profit appropriation		
	Proposed dividends	0	6,000
	Reserve for net revaluation under the equity method	1,610	-554
	Retained earnings	1,364	-2,416
		<u>2,974</u>	<u>3,030</u>

Financial statements for the period 1 April 2015 - 31 March 2016

Balance sheet

Note	DKK'000	<u>2015/16</u>	<u>2014/15</u>
	ASSETS		
	Non-current assets		
5	Property, plant and equipment		
	Land and buildings	<u>28,111</u>	<u>28,962</u>
6	Investments		
	Investments in subsidiary	<u>3,144</u>	<u>3,780</u>
		<u>31,255</u>	<u>3,780</u>
	Total non-current assets	<u>31,255</u>	<u>32,742</u>
	Current assets		
	Receivables		
	Amounts owed by group enterprises	<u>1,744</u>	<u>3,906</u>
	Cash at bank and in hand	<u>21</u>	<u>23</u>
	Total current assets	<u>1,765</u>	<u>3,929</u>
	TOTAL ASSETS	<u>33,020</u>	<u>36,671</u>

Financial statements for the period 1 April 2015 - 31 March 2016

Balance sheet

Note	DKK'000	<u>2015/16</u>	<u>2014/15</u>
	EQUITY AND LIABILITIES		
7	Equity		
	Share capital	200	200
	Reserve for revaluation of land and buildings	3,182	3,182
	Reserve for net revaluation under the equity method	2,144	780
	Retained earnings	4,366	2,469
	Dividends proposed for the year	0	6,000
	Total equity	<u>9,892</u>	<u>12,631</u>
	Provisions		
	Provisions for deferred tax	2,330	2,266
	Total provisions	<u>2,330</u>	<u>2,266</u>
	Liabilities		
8	Non-current liabilities other than provisions		
	Mortgage credit institutions	14,440	15,356
		<u>14,440</u>	<u>15,356</u>
	Current liabilities other than provisions		
8	Current portion of non-current liabilities other than provisions	916	1,142
	Amounts owed to group enterprises	1,531	1,018
	Other payables	2,863	3,216
	Deferred income	1,048	1,042
		<u>6,358</u>	<u>6,418</u>
	Total liabilities	<u>20,798</u>	<u>21,774</u>
	TOTAL EQUITY AND LIABILITIES	<u>33,020</u>	<u>36,671</u>
1	Accounting policies		
9	Charges, collateral and contingencies, etc.		
10	Related party - ownership		

Financial statements for the period 1 April 2015 – 31 March 2016

Notes to the financial statements

1 Accounting policies

The annual report of Ejendomsanpartsselskabet Industrivej Nord 13 for 2015/16 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

Consolidated financial statements have not been prepared as the same is not required as per section 110 of the Danish Financial Statements Act. Further, the annual report of Ejendomsanpartsselskabet Industrivej Nord and related subsidiary forms part of the consolidated financial statements of the Danish Parent Company, Thermax Denmark ApS.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic resources is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost implying the recognition of a constant effective interest rate to maturity. Amortised cost is calculated as initial cost minus any principal repayments and plus or minus the cumulative amortisation of any difference between cost and nominal amount.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets and liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement on a regular basis.

Financial statements for the period 1 April 2015 - 31 March 2016

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

Revenue comprises rental income, etc., which is recognised in the income statement in the period, which the rent concerns.

Other external expenses

Other external expenses comprise administrative expenses.

Gross profit

Revenue and other external costs are summed up in gross profit in compliance with Section 32 in the Danish Financial Statements Act.

Profit/loss from investments in subsidiaries

The Company's proportional share of the results after tax of the subsidiaries is recognised in the income statement after full elimination of intra-group gains/losses.

Financial income and expenses

Financial income and expenses comprise interest income and expense as well as surcharges and refunds under the tax prepayment scheme.

Tax on profit/loss for the year

The Company is covered by the Danish rules on compulsory joint taxation of the Thermax Denmark ApS Group's subsidiaries. Subsidiaries form part of the joint taxation from the date on which they are included in the consolidation and up to the date on which they exit the consolidation.

The Danish parent company Thermax Denmark ApS is the administrative company for the joint taxation and consequently settles all corporation tax payments with the authorities.

The current corporation tax is allocated among the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carry-forwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits. The jointly taxed companies are taxed under the tax prepayment scheme.

Tax for the year comprises joint taxation contribution and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to income and expenses recognised in equity is recognised directly in equity.

Provision has been made for deferred tax on revaluation of investment properties to the extent that the sale hereof at carrying amount will give rise to tax liabilities. The amount has been deducted from the fair value reserve of investment assets.

Balance sheet

Property, plant and equipment

Land and buildings are measured at cost less accumulated depreciation and impairment losses and revalued at fair value if any significant changes in the value of land and buildings are recognised. Land is not depreciated.

Financial statements for the period 1 April 2015 - 31 March 2016

Notes to the financial statements

1 Accounting policies (continued)

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

The basis of depreciation is cost less expected residual value at the end of the useful life plus any revaluation.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Buildings up to 50 years

In connection with significant changes in the value of land and buildings, revaluation to fair value is made based on a yearly assessment on each property. The revaluation is recognised directly in equity. The revaluation is depreciated over the rest useful lives of the assets.

Gains or losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Investments in subsidiaries

Investments in subsidiaries are measured according to the equity method.

Investments in subsidiaries are measured at the proportionate share of the equity value of the enterprises calculated in accordance with the Group's accounting policies minus or plus unrealised intra-group gains and losses and plus or minus the residual value of positive or negative goodwill determined in accordance with the purchase method.

Investments in subsidiaries with negative book values are measured at DKK 0 (nil), and any receivables from these companies are written down if the receivables are irrecoverable. If the parent company has any legal or constructive obligation to cover a deficit exceeding the receivables, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries is recognised in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds cost. Dividends from subsidiaries that are expected to be decided on prior to the adoption of the annual report of Ejendomsanpartsselskabet Industrivej Nord ApS are not recognised in the net revaluation reserve.

On acquisition of new companies, the purchase method is applied.

Impairment of non-current assets

The carrying amount of property, plant and equipment as well as investments in subsidiaries is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net cash flows from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Financial statements for the period 1 April 2015 - 31 March 2016

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost. Write-down to net realisable value is made for expected losses.

Equity

Reserve for net revaluation according to the equity method

Net revaluation of investments in subsidiaries is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

Dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

According to the joint taxation rules, the subsidiaries' liabilities towards the tax authorities regarding their corporation taxes are settled as payment of joint taxation contributions to the administrative company.

Joint taxation contribution payable and receivable is recognised in the balance sheet under Balances with group companies.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry-forwards, are recognised under assets at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity.

Deferred tax is measured according to the tax rules applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income comprises payments received concerning income in subsequent years.

Financial statements for the period 1 April 2015 - 31 March 2016

Notes to the financial statements

DKK'000	2015/16	2014/15
2 Financial expenses		
Interest income, group enterprises	83	138
Other interest income	0	0
Total financial income	83	138
3 Financial expenses		
Other interest expenses	1,231	1,273
Total financial expenses	1,231	1,273
4 Tax on profit for the year		
Joint taxation contribution for the year	425	422
Adjustment of deferred tax	64	80
	489	502
5 Property, plant and equipment		
DKK'000		Land and buildings
Cost at 1 April 2015		41,111
Additions		38
Disposals		0
Cost at 31 March 2016		41,149
Revaluations at 1 April 2015/ 31 March 2016		4,080
Impairment losses and depreciation at 1 April 2015		-16,229
Impairment losses and depreciation for the year		-889
Impairment losses and depreciation at 31 March 2016		-17,118
Carrying amount at 31 March 2016		28,111

Financial statements for the period 1 April 2015 - 31 March 2016

Notes to the financial statements

6 Investments

DKK'000	2015/16
Cost at 1 April 2015	1,000
Additions	0
Cost at 31 March 2016	1,000
Value adjustments at 1 April 2015	2,780
Dividends paid	-2,000
Net profit for the year	1,364
Value adjustments at 31 March 2016	2,144
Carrying amount at 31 March 2016	3,144

Name	Rights and ownership	Share capital	Equity	Profit after tax	Carrying amount
Group enterprises Boilerworks Properties ApS, Herning, Denmark	100 %	80	3,144	1,364	3,144

7 Equity

DKK'000	Share capital	Reserve for revaluation of land and buildings	Reserve for net revaluation under the equity method	Retained earnings	Dividends proposed for the year	Total
Equity at 1 April 2015	200	3,182	780	2,469	6,000	12,631
Retained profit for the year	0	0	1,364	1,610	0	2,974
Revaluation after tax on interest rate swap	0	0	0	287	0	287
Dividends	0	0	0	0	-6,000	-6,000
	200	3,182	2,144	4,366	0	9,892

8 Non-current liabilities other than provisions

DKK'000	Total debt 1/4 2015	Total debt 31/3 2016	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage credit institutions	16,498	15,356	916	14,440	10,774

Financial statements for the period 1 April 2015 - 31 March 2016

Notes to the financial statements

9 Charges, collateral and contingencies, etc.

Land and buildings with a carrying amount of DKK 28,111 thousand at 31 March 2016 have been provided as collateral for bank loans of DKK 15,356 thousand.

The Company has provided guarantees and provided collateral in land and buildings, nom. DKK 26,000 thousand for all balances between bank and group-related company to their bank. At 31 March 2016 balances amounted to DKK 625 thousand. (2014/15: DKK 1,125 thousand).

The Company has provided guarantees for balances between bank and group related companies to their bank. At 31 March 2016 balances amounted to DKK 13,351 thousand, and guarantees issued by credit institutions amounted to DKK 149 thousand (2014/15): DKK 149 thousand).

The Company has a recourse guarantee commitment for performance and advance guarantees in group-related companies, DKK 16,279 thousand. (2014/15: DKK 35,568 thousand)

The Company has entered an interest rate swap contract concerning loan amounting to DKK 10,669 thousand, with a net position as of 31 March 2016 of DKK -2,566 thousand. (2014/15: DKK -2,941 thousand).

The company is jointly taxed with the Danish parent company and Danish subsidiaries. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties.

10 Related party - ownership

The following shareholders are registered in the Company's register of shareholders as holding at least 5 % of the voting rights or at least 5 % of the share capital:

Thermax Denmark ApS
Industrivej Nord 13
DK - 7400 Herning.

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent's consolidated financial statements
Thermax Denmark ApS	Denmark	www.erhvervsstyrelsen.dk
Thermax Ltd.	India	www.thermaxglobal.com