

Boilerworks Properties ApS

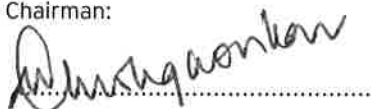
Industrivej Nord 13, Birk, 7400 Herning

CVR no. 35 22 67 61

Annual report 2016/17

Approved at the Company's annual general meeting on 28 April 2017

Chairman:



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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Boilerworks Properties ApS for the financial year 1 April 2016 - 31 March 2017.

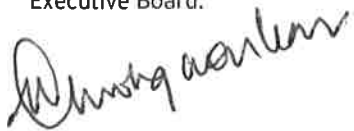
The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 March 2017 and of the results of the Company's operations for the financial year 1 April 2016 - 31 March 2017.

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, 28 April 2017
Executive Board:



Hemant Prabhakar Mohgaonkar



Amitabha Mukhopadhyay

Independent auditor's report

To the shareholder of Boilerworks Properties ApS

Opinion

We have audited the financial statements of Boilerworks Properties ApS for the financial year 1 April 2016 - 31 March 2017, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2017 and of the results of the Company's operations for the financial year 1 April 2016 - 31 March 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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 in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has 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 and additional requirements applicable in Denmark 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit 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.

Independent auditor's report

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.


Our opinion on the financial statements does not cover the Management's review, and 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 Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Esbjerg, 28 April 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28


Lars Staggard Jensen
State Authorised
Public Accountant


Birgitte Nygaard Jørgensen
State Authorised
Public Accountant

Management's review

Company details

Name	Boilerworks Properties ApS
Address	Industrivej Nord 13
Zip code, city	DK-7400 Herning
CVR no.	35 22 67 61
Established	12 April 2013
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 the property Papegøjevej 7, DK-6270 Tønder.

The Company is a fully-owned subsidiary of Ejendomsanpartsselskabet Industrivej Nord 13. The ultimate parent company of the company is ARA Trusteeship Company Private Limited, Pune, India, which holds the majority through the listed company Thermax Ltd., Pune, India.

Development in activities and financial matters

Management considers profit for the year, DKK 1,482 thousand as satisfactory.

Future outlook

Satisfactory results are expected for the financial year 2017/18.

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 year 1 April 2016 - 31 March 2017

Income statement

Note	DKK'000	2016/17	2015/16
	Gross profit	1,986	1,902
6	Impairment losses and depreciation	-126	-125
	Operating profit	1,860	1,777
3	Financial income	40	9
4	Financial expenses	0	-3
	Profit before tax	1,900	1,783
5	Tax on profit for the year	-418	-419
	Profit for the year	1,482	1,364
	Proposed profit appropriation	1,482	1,364
	Retained earnings	1,482	1,364

Financial statements for the year 1 April 2016 - 31 March 2017

Balance sheet

Note	DKK'000	<u>2016/17</u>	<u>2015/16</u>
	ASSETS		
	Non-current assets		
6	Property, plant and equipment		
	Land and buildings	4,090	4,216
	Total non-current assets	<u>4,090</u>	<u>4,216</u>
	Current assets		
	Receivables		
	Amount owed by group companies	2,419	155
		<u>2,419</u>	<u>155</u>
	Cash at bank and in hand	23	237
	Total current assets	<u>2,442</u>	<u>392</u>
	TOTAL ASSETS	<u><u>6,532</u></u>	<u><u>4,608</u></u>

Financial statements for the year 1 April 2016 - 31 March 2017

Balance sheet

Note	DKK'000	<u>2016/17</u>	<u>2015/16</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	80	80
	Contributed premium	920	920
	Retained earnings	<u>3,626</u>	<u>2,144</u>
	Total equity	<u>4,626</u>	<u>3,144</u>
	Provisions		
	Provisions for deferred tax	<u>6</u>	<u>1</u>
	Total provisions	<u>6</u>	<u>1</u>
	Liabilities		
	Current liabilities other than provisions		
	Amounts owed to group companies	1,744	1,332
	Other payables	<u>156</u>	<u>131</u>
	Total liabilities	<u>1,900</u>	<u>1,463</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>6,532</u></u>	<u><u>4,608</u></u>

- 1 Accounting policies
- 2 Staff costs
- 7 Charges, collateral and contingencies, etc.
- 8 Related party - ownership

Financial statements for the year 1 April 2016 - 31 March 2017

Statement of changes in equity

DKK'000	Share capital	Contributed premium	Retained earnings	Total
Equity at 1 April 2016	80	920	2,144	3,144
Transfer, see "Proposed profit appropriation"	0	0	1,482	1,482
Equity at 31 March 2017	80	920	3,626	4,626

Financial statements for the year 1 April 2016 - 31 March 2017

Notes to the financial statements

1 Accounting policies

The annual report of Boilerworks Properties ApS for 2016/17 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

Effective 1 April 2016, the Company has adopted act no. 738 of 1 June 2015. This implies changes in the recognition and measurement in relation to yearly reassessment of residual values of property, plant and equipment. In future, residual values of property, plant and equipment are subject to annual reassessment. The Company has no significant residual values relating to property, plant and equipment other than those relating to the Company's land. Consequently, the change is made in accordance with section 4 of the executive order on transitional provisions with future effect only as a change in accounting estimates with no impact on equity.

The above changes have no effects on the income statement or the balance sheet for 2016/17 or the comparative figures.

Apart from the above changes as well as new and changed presentation and disclosure requirements, which follow from act no. 738 of 1 June 2015, the accounting policies 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.

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.

Financial statements for the year 1 April 2016 - 31 March 2017

Notes to the financial statements

1 Accounting policies (continued)

Gross profit

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

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.

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.

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 30 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.

Financial statements for the year 1 April 2016 - 31 March 2017

Notes to the financial statements

1 Accounting policies (continued)

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.

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 anticipated net cash flows from the use of the asset or group of assets.

Receivables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

Equity

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.

Financial statements for the year 1 April 2016 - 31 March 2017

Notes to the financial statements

1 Accounting policies (continued)

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.

Financial statements for the year 1 April 2016 - 31 March 2017

Notes to the financial statements

2 Staff costs

The Company has no employees.

DKK'000	2016/17	2015/16
3 Financial income		
Interest income, group companies	40	9
Total financial income	<u>40</u>	<u>9</u>
4 Financial expenses		
Interest expense, group companies	0	3
Total financial expenses	<u>0</u>	<u>3</u>
5 Tax on profit for the year		
Joint taxation contribution for the year	413	425
Adjustment of deferred tax assets	5	-6
	<u>418</u>	<u>419</u>

6 Property, plant and equipment

DKK'000	Land and buildings
Cost at 1 April 2016	4,623
Additions	0
Disposals	0
Cost at 31 March 2017	<u>4,623</u>
Impairment losses and depreciation at 1 April 2016	-407
Impairment losses and depreciation for the year	-126
Impairment losses and depreciation at 31 March 2017	<u>-533</u>
Carrying amount at 31 March 2017	<u>4,090</u>

7 Charges, collateral and contingencies etc.

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.

Mortgage registered to the owner, nominal DKK 500 thousand, is held by the company.

Financial statements for the year 1 April 2016 - 31 March 2017

Notes to the financial statements

8 Related party - ownership

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

Ejendomsanpartsselskabet Industrivej Nord 13
Industrivej Nord 13
DK - 7400 Herning

Information about consolidated financial statements

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