THERMAX

Thermax Limited

Annual Report
of Subsidiary Companies
2015-2016

S U B S I D I A R I E S

DOMESTIC

OVERSEAS

THERMAX ENGINEERING CONSTRUCTION COMPANY LIMITED

Board of Directors

Ravinder Advani

Pravin Karve

Amitabha Mukhopadhyay

Ajay Joshi- Independent Director

Ashok. K. Joshi- Independent Director

Registered Office

Thermax House,
14, Mumbai – Pune Road, Wakdewadi,
Pune - 411003

Auditors

B. K. Khare & Co.
Chartered Accountants
Hotel Swaroop, 4th Floor, Lane No. 10, Prabhat Road,
Pune 411004

&

SRBC & Co. LLP,

Chartered Accountants

C -401, 4th Floor, Panchshil Tech Park,

Near Don Bosco School, Yerwada,

Pune 411006

Chief Executive Officer

Upsen Umale

Head Office

Energy House, D-II Block, Plot No. 38 &39,
MIDC Area, Chinchwad, Pune 411019

Bankers

Union Bank of India
HDFC Bank Limited
State Bank of India

Directors' Report

Dear shareholder,

The Directors present the Twenty-fifth Annual Report of the company for the year ended March 31, 2016.

FINANCIAL RESULTS (Rs. in lacs)

Particulars	**2015-16**	2014-2015
Total Income	**34379.96**	20709.44
Profit before depreciation	**315.83**	875.29
Depreciation	**98.91**	90.22
Profit before tax	**216.92**	785.07
Provision for taxation including deferred tax	**75.83**	206.79
Profit after tax	**141.09**	578.28

STATE OF COMPANY'S AFFAIRS

For the year under review, the company's total income is Rs. 34379.96 lac compared to Rs. 20709.44 lac in the previous year. This is the highest total income achieved by the company in its history. The company has been able to achieve this milestone due to advanced stage of the single largest value order received from a petrochemical major. The company's profit before tax is Rs.216.92 lac (previous year, Rs. 785.07 lac) and profit after tax of Rs. 141.09 lac (previous year Rs. 578.28 lac). The company has erected about 57480 tons (previous year 62250 tons) of boiler equipment during the year.

The company's year-end order balance is Rs.13955 lac, which is lower than the previous year's order balance of Rs. 35673 lac due to continued sluggishness in the capital goods market during the year.

The company's management is focusing on increasing efficiency at sites as well as controlling costs to maintain and increase margins.

MATERIAL CHANGES AFFECTNG FINANCIAL POSITION OF THE COMPANY

No material changes and commitments have occurred after the close of the year till the date of this report, which affect the financial position of the company.

HEALTH AND SAFETY

Health and safety at project sites is of paramount importance to the company. The company strives for continuous improvement and its objective is to establish world class safety practices at sites. Safety culture is inculcated as part of day to day operations by site managers. During the year, a month long campaign on height safety awareness was conducted at various sites. OHSAS 18001:2007 continues to be implemented at sites in addition to being implemented at the Head Office. As a result of the special focus on health and safety, the company has received appreciation from the customers for safety implementation and safe man-hours at sites.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

In view of the requirements under the Companies Act, 2013, the company has formed a Corporate Social Responsibility (CSR) Committee and approved a CSR Policy. As per the said policy, the company would continue its CSR initiatives through Thermax Foundation earlier known as Thermax Social Initiative Foundation (TSIF).

As part of its initiatives under CSR, the Company has donated Rs. 10.24 lac to Thermax Foundation. A Report on CSR activities is annexed as "Annexure 1".

AMOUNT PROPOSED TO BE CARRIED TO RESERVES

The company does not propose to carry any amount to reserves.

SHARE CAPITAL

The Paid up Share Capital of the company is Rs. 450 lac. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.

DEPOSITS

The company has not accepted any deposits under Chapter V of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the company did not give any loan or made an investment pursuant to the provisions of Section 186 of the Companies Act, 2013.

BUSINESS RISK MANAGEMENT

In order to reduce impact of business risks on the company, the management has identified key risks affecting the business adversely. The key risks identified are as under:

- Delay in execution due to default of contractors.
- Delay in execution due to unforeseen site conditions including natural calamities.
- Delay in recovery of retention amounts from customers.

- Cost overrun due to delays as well as unforeseen site related factors such as access, approach roads, soil condition etc.

The company has put in place several mitigation measures such as:

- Vendor evaluation and analysis prior to awarding the contract.
- Site visit prior to making a quotation.
- Frequent review of retention obligations.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Internal Audit department of the holding company, Thermax Limited releases the schedule of audit for checking the adequacy of identified Internal Financial Controls and processes which is carried out by the speialised audit firm and the report is submitted to the audit committee for review and suggestions, if any, for improvement.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The company being a wholly owned subsidiary of Thermax Limited has decided to adopt the policies of the holding company on criteria and determination of qualification of Independent Directors and KMPs. The Directors do not receive any remuneration except independent directors who are entitled to sitting fees as approved by the Board for each Board/Committee meeting attended.

DIRECTORS

R. V. Ramani ceased to be the Director of the company in terms of Section 167(1)(b) of the Companies Act, 2013. The Board would like to place on record its appreciation of the valuable contribution by Mr. Ramani during his tenure.

In accordance with the provisions of the Companies Act, 2013 and the company's Articles of Association, Amitabha Mukhopadhyay retires by rotation and being eligible offers, himself for re-appointment as Director.

DECLARATION BY INDEPENDENT DIRECTORS

The company has received declarations from the Independent Directors confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL

Upsen Umale, Chief Executive Officer of the company is appointed as the Key Managerial Personnel in accordance with the provision of Section 203 of the Companies Act, 2013 on May 04, 2016.

BOARD MEETINGS

The Board met five times on May 05, 2015, July 21, 2015, September 11, 2015, October 20, 2015 and January 20, 2016 during the year. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The Directors have prepared the annual accounts on a going concern basis; and

(e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMMITTEES OF THE BOARD

The Board has constituted following committees viz. Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

AUDIT COMMITTEE

The Committee met five times during the year on May 05, 2015, July 20, 2015, October 20, 2015, December 11, 2015 and January 20, 2016. The Committee comprises 3 (Three) members, all being non-executive Directors namely Ajay Joshi (Chairman), Ashok K. Joshi and Amitabha Mukhopadhyay.

NOMINATION AND REMUNERATION COMMITTEE

The Committee comprises three members, all being non-executive Directors namely Pravin Karve (Chairman), Ajay Joshi and Ashok K. Joshi. The Committee met once during the year on February 24, 2016

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with Section 135 of the Companies Act, 2013, the Board has constituted "Corporate Social Responsibility (CSR) Committee". The Committee met once during the year on January 20, 2016. The Committee comprises three members namely Ashok k. Joshi (Chairman), Pravin Karve and Amitabha Mukhopadhyay.

RELATED PARTY TRANSACTIONS

All related party transactions (RPTs) that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Therefore requirements of disclosure of RPTs in AOC-2 are not attracted.

During the year, as required under section 177 of the Companies Act, 2013 RPTs were placed before Audit Committee for approval. A statement showing the disclosure of transactions with related parties as required under Accounting Standard 18 is set out separately in the Financial Statements.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9, as required under Section 92, of the Companies Act, 2013, is annexed herewith as "Annexure 2" and forms part of this report

CONSERVATION OF ENERGY

The company's Head Office is in Energy House in Chinchwad, owned by the holding company which undertakes various measures to conserve energy. At sites, the company uses energy saving bulbs for lighting of stores & site offices and the construction power through grid is sought from the customer, wherever practically possible instead of deploying costly and polluting DG sets for power generation.

TECHNOLOGICAL ABSORPTION

There was no technology acquisition and absorption during the year under review.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pertaining to foreign exchange earnings and outgo, under Section 134 (3) (m) of the Companies Act, 2013 is as follows:

	(Rs. in lac)
Foreign currency earnings	Nil
Foreign currency outgo	129.81

PARTICULARS OF EMPLOYEES

None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed under the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the company and its future operations.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has in place an Anti-Sexual Harassment Policy in line with the Thermax Group. The company has not received any complaints regarding sexual harassment during the year.

AUDITORS

M/s. B. K. Khare & Co., Chartered Accountants, retire as the Joint Statutory Auditors at the ensuing Annual General Meeting, the Audit Committee has recommended their re-appointment as the Joint Statutory Auditors.

The Audit Committee has recommended ratification of appointment of M/s. SRBC & Co. LLP, Chartered Accountants, at the ensuing Annual General Meeting (AGM) as Joint Statutory Auditors.

ACKNOWLEDGEMENTS

The Board of Directors takes this opportunity to thank its customers, bankers, employees and all other stakeholders for their persistent support to the company. The Directors look forward to their continued co-operation in the future as well.

For and on behalf of the Board of Directors of
Thermax Engineering Construction Company Limited

	Amitabha Mukhopadhyay	Pravin Karve
	Director	Director
Pune, May 4, 2016	DIN:1806781	DIN:06714708

Annexure 1

ANNUAL REPORT ON CSR ACTIVITIES AND CSR POLICY

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or program.**

   The Board of Directors, after taking into account the recommendations of the CSR Committee, has approved the CSR Policy as required under section 135(4) of the Companies Act, 2013. Following is a brief outline of the said CSR Policy.

   The Company has decided to adopt the CSR Policy of the holding company which predominantly keeps focus in the area of education of economically underprivileged children.

   Apart from education, the holding company is also involved, in a small way, in addressing the issue of social discrimination, through affirmative action, skill development and employability Initiatives.

   The holding company has created a formal structure to design and implement its CSR programme and the company has decided to support the initiative of the holding company.

2. **The Composition of the CSR Committee.**

   Corporate Social Responsibility (CSR) Committee comprises as follows:

   1. Mr. Ashok k. Joshi (Chairman)
   2. Mr. Pravin Karve
   3. Mr. Amitabha Mukhopadhyay

3. **Average net profit of the company for last three financial years**

   The average net profit of the Company for the last three financial years is Rs. 512 Lacs.

4. **Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)**

   Prescribed CSR Expenditure is Rs. 10.24 Lacs (2% of Rs. 512 Lacs). Amount contributed to Thermax Foundation is Rs. 10.24 Lacs.

5. **Details of CSR spent during the financial year.**

   a) Total amount donated: Rs. 10.24 Lacs

   b) Total amount to be spent for the financial year: Rs. 10.24 Lacs

6 **In case the Company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report:**

   The company has donated its CSR contribution to Thermax Foundation on March 30, 2016. The company along with the holding company monitors the CSR spent on the approved Projects.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**

   The CSR Committee confirms that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and policy of the company.

Sd/-	Sd/-
Upsen Umale	**Ashok k. Joshi**
(CEO)	(Chairman of the CSR Committee)
	DIN:02296952

ANNEXURE 2

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

I.	CIN	:	U29246MH1991PLC062959
II.	Registration Date	:	14.08.1991
III.	Name of the Company	:	Thermax Engineering Construction Company Limited
IV.	Category / Sub-Category of the Company	:	Public Company / Limited by Shares
V.	Address of the Registered office and contact details	:	Thermax House, 14, Mumbai – Pune Road, Wakdewadi, Pune- 411003
VI.	Whether listed company	:	No
VII.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Installation of industrial machinery and equipment	33200	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the company	CIN/GLN	Holding /Subsidiary/ Associates	% of Shares held	Applicable Section
1	Thermax Limited D-13, M.I.D.C. Industrial Area, R.D. Aga Road, Chinchwad, Pune - 411 019	L29299MH1980PLC022787	Holding	100	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	%of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govnt(s)	-	-	-	-	-	-	-	-	-
c) State Govnt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	4499940	4499940	100	-	4499940	4499940	100	0
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other (Relative of Director)	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	**-**	**4499940**	**4499940**	**100**	**-**	**4499940**	**4499940**	**100**	**0**
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total share holding of Promoter (A)= (A)(1)+(A) (2)	**-**	**4499940**	**4499940**	**100**	**-**	**4499940**	**4499940**	**100**	**0**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	%of Total Shares	
B. Public Shareholding									
1. Institution									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs	-------------------------------------NIL-------------------------------------								
h) Foreign Venture Capital Funds									
i) Any other									
Sub-total(B)(1):-									
2. Non- Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	60	60	0	-	60	60	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh									
c) Others (specify)									
- Directors Relative									
- Trusts	-------------------------------------NIL-------------------------------------								
- Foreign Bodies Corporate									
- Foreign Bodies-DR									
- Non Resident Indian									
- HUF									
- Clearing Members									
Sub-total(B)(2):-	**-**	**60**	**60**	**0**	**-**	**60**	**60**	**0**	**0**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**-**	**60**	**60**	**100**	**-**	**60**	**60**	**100**	**0**
C) Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**-**	**4500000**	**4500000**	**100**	**-**	**4500000**	**4500000**	**100**	**0**

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholding at the end of the year (As on 31-03-2016)			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1	Thermax Limited	4499940	100	NIL	4499940	100	NIL	NIL
2	**TOTAL**	**4499940**	**100**	**NIL**	**4499940**	**100**	**NIL**	**NIL**

iii) Change in Promoters' Shareholding: NIL

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)		Shareholding at the end of the year (As on 31-03-2016)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	------------------------------------NIL------------------------------------			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL

Sl. No.	Name of the shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the company				No. of shares	% of total shares of the company
------------------------------------NIL------------------------------------								

(V) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the company				No. of shares	% of total shares of the company
1	Ravinder Advani	10	0	--	--	--	10	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

Amount in Rs. lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2015)				
i) Principal Amount	40.54	0	0	40.54
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**40.54**	**0**	**0**	**40.54**
Change in indebtedness during the financial year				
Addition	652.60	1400.00	0	2052.60
Reduction	0	0	0	0
Net Change	**652.60**	**1400.00**	**0**	**2052.60**
Indebtedness at the end of the financial year (31.03.2016)				
i) Principal Amount	693.14	1400.00	0	2093.14
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**693.14**	**1400.00**	**0**	**2093.14**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NA

Sl. no.	Particulars of Remuneration	Total Amount
1.	Gross salary	-------------------------NIL-------------------------
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) Income- taxAct, 1961	
2.	Stock Option	
3.	Sweat Equity	
4.	Commission- as % of profit - others, specify…	
5.	Others, please specify (Retrial Benefits)	
	Total(A)	
	Ceiling as per the Act	

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount in ₹ lac
1.	Independent Directors	Ajay Joshi	Ashok k. Joshi	-	-	-
	Fee for attending board / committee meetings	3.80	4.10	-	-	7.90
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total(1)	3.80	4.10	-	-	7.90
2.	Other Non-Executive Directors	Amitabha Mukhopadhyay	Pravin Karve	R. V. Ramani	Ravinder Advani	
	Fee for attending board / Committee meetings	-------------------------------------NIL-------------------------------------				
	Commission					
	Others, please specify					
	Rent for Premises					
	Security Deposit for Lease Premises					
	Total(2)					
	Total(B)=(1+2)					
	Total Managerial (A+B) Remuneration					
	Over all Ceiling as per the Act					

C. Remuneration to key managerial personnel other than MD/Manager/Whole Time Director: NA

Sl. no.	Particulars of Remuneration	Key Managerial Personnel
1.	Gross salary	-------------------------------------NIL-------------------------------------
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s 17(2) Income-taxAct, 1961	
	(c) Profits in lieu of salary under section 17(3) Income taxAct, 1961	
2.	Stock Option	
3.	Sweat Equity	
4.	Commission - as% of profit - Others, specify	
5.	Others, please specify (Retrial Benefits)	
	Total	

VII. Penalties /Punishment/ compounding of offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any (give Details)
a) Company	-------------------------------------NIL-------------------------------------				
Penalty					
Punishment					
Compounding					
b) Directors					
Penalty					
Punishment					
Compounding					
c) Other Officers in Default					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors of Thermax Engineering Construction Company Limited

Place: Pune	**Amitabha Mukhopadhyay**	**Pravin Karve**
Date: May 4, 2016	Director	Director
	DIN:1806781	DIN:06714708

Independent Auditor's Report

To the Members of Thermax Engineering Constructions Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Thermax Engineering Construction Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditor's judgment, 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 auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 22 to the financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. Refer Note 29 to the financial statements. The Company did not enter into any derivative contracts during the year;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Tridevlal Khandelwal
Partner
Membership Number: 501160

Place of Signature: Pune
Date: May 4, 2016

For B.K.Khare & Co.
Chartered Accountants
Firm's Registration Number
105102W

per Naresh Kumar Kataria
Partner
Membership Number: 037825

Place of Signature: Pune
Date: May 4, 2016

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Thermax Engineering Construction Company Limited (the "Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, there no immovable properties included in the Fixed Assets of the Company and, accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits to which the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed there under to the extent notified, are applicable. Therefore, Clause 3(v) of the Order is not applicable to the Company.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. None of these dues were outstanding as at the year end, for a period of more than six months from the date they became payable.

(vii) (b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax and value added tax on account of any dispute, are as follows:

Name of Statute	Nature of dues (Including interest and penalty as applicable)	Amount (Rs. in Lakhs)^	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of expenditure debited to Statement of profit and loss	236.26	AY 2004-05 to 2010-11	Income Tax Appellate Tribunal
	Disallowance of expenditure debited to Statement of profit and loss	72.98	AY 2011-12 to 2013-14	Commissioner of Income Tax (Appeals)
	Disallowance for matters relating to withholding taxes	0.60	AY 2008-09, 2010-11, 2012-13 and 2014-15	Assessing Officer
Uttar Pradesh Trade Act, 1948	Demand for state sales tax	28.36 (Net off Rs. 11.21 paid under protest)	FY 2004-05 and 2005-06	Joint Commissioner (Appeal), Ghaziabad
Rajasthan Value Added Tax Act, 2003	Demand for state sales tax	4.72	FY 2002-03	Deputy Commissioner (Appeal), Kota
Andhra Pradesh Value Added Tax Act, 2005	Demand for state sales tax	4.47 (Net off Rs. 2.68 paid under protest)	FY 2006-07 to 2008-09	Sales Tax Appellate Tribunal, Hyderabad
West Bengal Value Added Tax Act, 2003	Demand for state sales tax	48.44	2011-12	President, West Bengal Sales Tax Appellate
Service Tax (Finance Act, 1994	Dispute on service tax on advance from customer	315.88	FY 2009-10	Customs, Excise and Service Tax Appellate Tribunal, Mumbai
	Dispute regarding adjustment of excess service tax paid against tax liability in subsequent period	45.50	FY 2010-11	
	Dispute on demand for service tax on deemed material	385.35 (Net off Rs. 100.00 paid under protest)	FY 2008-09 to 2012-13	

^ Excluding interest and penalty, if any, there on.

There are no undisputed amounts payable in respect of provident fund, employees' state insurance, duty of custom, cess and other material statutory dues as at the year end, for a period of more than six months from the date they become payable.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer (including debt instruments) and term loans hence; reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP	**For B.K.Khare & Co.**
Chartered Accountants	Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003	Firm's Registration Number 105102W
per Tridevlal Khandelwal	**per Naresh Kumar Kataria**
Partner	Partner
Membership Number: 501160	Membership Number: 037825
Place of Signature: Pune	Place of Signature: Pune
Date: May 4, 2016	Date: May 4, 2016

Annexure 2 referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Thermax Engineering Construction Company Limited

We have audited the internal financial controls over financial reporting of Thermax Engineering Construction Company Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP	**For B.K.Khare & Co.**
Chartered Accountants	Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003	Firm's Registration Number 105102W
per Tridevlal Khandelwal	**per Naresh Kumar Kataria**
Partner	Partner
Membership Number: 501160	Membership Number: 037825
Place of Signature: Pune	Place of Signature: Pune
Date: May 4, 2016	Date: May 4, 2016

Balance Sheet as at 31 March 2016

Particulars	Note No	Rs in Lakh As at 31 March 2016	Rs in Lakh As at 31 March 2015
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
a. Share capital	3	**450.00**	450.00
b. Reserves and surplus	4	**3,482.35**	3,341.26
		3,932.35	3,791.26
2. Non-current liabilities			
a. Other long-term liabilities	5	**1,796.42**	592.21
		1,796.42	592.21
3. Current liabilities			
a. Short-term borrowings	6	**2,093.14**	40.54
b. Trade payables			
- total outstanding dues of micro enterprises and small enterprises	5	**74.11**	3.25
- total outstanding dues of creditors other than micro enterprises and small enterprises		**6,925.74**	4,587.57
b. Other current liabilities	5	**2,160.69**	5,476.92
c. Short-term provisions	7	**391.76**	187.60
		11,645.44	10,295.88
TOTAL		**17,374.21**	14,679.35
II ASSETS			
1. Non-current assets			
a. Fixed assets			
i. Tangible assets	8	**264.12**	346.66
ii. Intangible assets	9	**0.99**	1.47
b. Deferred tax assets (net)	10	**423.75**	329.64
c. Loans and advances	11	**2,917.31**	2,046.78
d. Trade receivables	12	**-**	258.11
e. Other Non- current assets		**5.15**	64.15
		3,611.32	3,046.81
2. Current assets			
a. Current investments	13	**-**	1,624.97
b. Trade receivables	12	**4,256.01**	6,511.83
c. Cash and bank balance	14	**66.61**	601.21
d. Loans and advances	11	**2,544.89**	1,996.58
e. Other current assets	15	**6,895.38**	897.95
		13,762.89	11,632.54
TOTAL		**17,374.21**	14,679.35
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For S R B C & CO LLP Chartered Accountants ICAI Firm Reg. No.324982E/ E300003	**For B. K. Khare & Co.** Chartered Accountants Firm Reg. No.105102W	**For and on behalf of the Board of Directors of Thermax Engineering Construction Company Limited**	
per Tridevlal Khandelwal Partner Membership No. 501160	**per Naresh Kumar Kataria** Partner Membership No. 037825	**Amitabha Mukhopadhyay** Director DIN: 01806781	**Pravin Karve** Director DIN: 06714708
Pune, 4th May, 2016	Pune, 4th May, 2016	Pune, 4th May, 2016	

Profit and loss statement for the year ended 31 March 2016

	Particulars	Note No	Rs in Lakh Current Year ended 31st Mar'16	Rs in Lakh Previous Year ended 31st Mar'15
I	Income			
	Revenue from operations	16	**33,825.09**	20,379.67
	Other income	17	**554.87**	329.77
II	**Total income (I)**		**34,379.96**	20,709.44
III	**Expenses :**			
	Employee benefits expense	18	**2,254.01**	2,008.80
	Finance costs	19	**21.17**	6.69
	Depreciation and amortisation expense	20	**98.91**	90.22
	Other expenses	21	**31,788.95**	17,818.66
	Total Expenses (II)		**34,163.04**	19,924.37
IV	**Profit before tax (I-II)**		**216.92**	785.07
V	**Tax Expense:**			
	1. Current tax		**169.94**	337.00
	2. Deferred tax		**(94.11)**	(130.21)
VI	**Total tax expense**		**75.83**	206.79
VII	**Profit after tax**		**141.09**	578.28
	Basic and diluted earnings per equity share [nominal value Rs.10/- (Previous year: Rs.10/-)]			
	Computed on the basis of total profit for the year		**3.14**	12.85
	Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For S R B C & CO LLP Chartered Accountants ICAI Firm Reg. No.324982E/ E300003	**For B. K. Khare & Co.** Chartered Accountants Firm Reg. No.105102W	**For and on behalf of the Board of Directors of Thermax Engineering Construction Company Limited**	
per Tridevlal Khandelwal Partner Membership No. 501160	**per Naresh Kumar Kataria** Partner Membership No. 037825	**Amitabha Mukhopadhyay** Director DIN: 01806781	**Pravin Karve** Director DIN: 06714708
Pune, 4th May, 2016	Pune, 4th May, 2016	Pune, 4th May, 2016	

Notes to Financial Statements

1. **Corporate information**

Thermax Engineering Construction Company Limited (the "Company") is a public company domiciled in India. It is a wholly owned subsidiary company of Thermax Limited. The Company is engaged in erection and commissioning of boilers supplied by its parent company Thermax Limited and also by other suppliers. The Corporate Identification Number (CIN) of the Company is U29246MH1991PLC062959.

2. **Basis of preparation**

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with notified Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on accrual basis under the historical cost convention.

All Assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of products and services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies

a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reported period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible fixed assets

Fixed assets, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in Statement of profit or loss as incurred.

Gains or losses arising from de recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss when the asset is derecognized.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part have a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Fixed assets held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the Statement of profit and loss.

c) Depreciation on Tangible Fixed Assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The Company has used the following estimates of useful life to provide depreciation on its fixed assets.

Asset category	Company's estimate of useful life (years)
Plant and equipment	3 to 10 years
Office equipment	2-3 years
Computers	3 years
Vehicles	3-6 years

The management has estimated, supported by independent assessment by professionals, the useful lives of the Plant and equipment, office equipment and vehicles being depreciated over the above mentioned estimated useful lives, which are lower than those indicated in Schedule II of the Companies Act 2013.

The residual values, useful lives and methods of depreciation of fixed assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. All intangible assets (including not yet available for use) are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss when the asset is derecognized.

Computer software is amortised over a period of 3 years.

e) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the Carrying amount of an asset or CGU exceeds its recoverable amount, the asset is impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the Statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

f) Investments

Investments which are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary in nature, in the carrying amount of such long term investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of profit and loss.

g) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Liability on account of the Company's obligation under the employees' superannuation fund, a defined contribution plan, is charged to the Statement of profit and loss on the basis of the plan's liability to contribute.

The Company operates a defined benefit plan, viz. gratuity. The cost of providing benefit under this plan is determined on the basis of actuarial valuation at each year end using the projected unit credit method. Actuarial gains and losses for defined benefit plans are recognized in full in the period in which they occur in the Statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet as it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Liability on account of the Company's obligation under the employee's medical reimbursement scheme and leave travel assistance is charged to the Statement of profit and loss at the undiscounted amount of such liability.

Liabilities on account of the Company's obligations under statutory regulations, agreement with trade unions and employees' short term incentive plan, as applicable, are charged to the Statement of profit and loss at the undiscounted amount of each liability.

h) Leases

Where the Company is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

i) Provisions

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimates can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

j) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Income from services

Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Contract revenue

Contract revenue in respect of projects for construction of plants and systems, involving designing, engineering, fabrication, supply, erection (or supervision thereof), commissioning, guaranteeing performance thereof etc., execution of which is spread over different accounting periods is recognized on the basis of percentage of completion method.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the management (some of which are of a technical nature) of the expected costs to completion, the expected revenues from each contract (adjusted for probable liquidated damages, if any) and the foreseeable losses to completion. When it is probable that the total contract costs will exceed the total contract revenue, the expected loss is recognised as an expense immediately.

Dividend

Dividend income is recognized when the Company's right to receive is established by the reporting date.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the Statement of profit and loss.

l) Borrowing costs

Borrowing costs include interest and amortisation of ancillary costs in connection with the arrangement of borrowings. Borrowing costs attributable to the acquisition, construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

m) Foreign currency translation

i. Initial recognition

Transactions in foreign currencies are recorded in reporting currency by applying to the foreign currency amount the exchange rates between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

n) Income taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961 enacted in India and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years.

Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

o) Segment reporting

Identification of segments

The entire operation is governed by the same set of risk and returns and hence considered as representing a single primary segment and not analysed separately. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

p) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Notes to Financial Statements

	As at 31 March 2016	As at 31 March 2015
Note 3. Share capital		
Authorized shares (Nos)		
1,00,00,000 Nos (Previous year 1,00,00,000) equity shares of Rs.10/- each.	**1,000.00**	1,000.00
	1,000.00	1,000.00
Issued, subscribed and fully paid share capital (Nos)		
4,500,000 (Previous year 4,500,000) equity shares of Rs 10/- each.	**450.00**	450.00
Total issued, subscribed and fully paid-up share capital	**450.00**	450.00

(a)Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at March 31, 2016		As at March 31, 2015	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Shares outstanding at the beginning of the year	4,500,000	450.00	4,500,000	450.00
Shares outstanding at the end of the year	4,500,000	450.00	4,500,000	450.00

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Equity shares held by holding company

	March 31, 2016	March 31, 2015
4,500,000 (Previous year: 4,500,000) equity shares of Rs 10/- each fully paid	**450.00**	450.00
Total	**450.00**	450.00

(d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of shareholder	**As at March 31, 2016**		As at March 31, 2015	
	%	**No. of shares**	**%**	**No. of shares**
Thermax Limited	100.00	4,500,000	100.00	4,500,000

		March 31, 2016	March 31, 2015
Note 4. Reserves and surplus			
General reserve			
Balance as per last financial statement		**525.21**	525.21
Closing balance	(A)	**525.21**	525.21
Surplus in Statement of profit and loss			
Balance as per last financial statement		**2,816.05**	2,237.77
Add: Profit for the year		**141.09**	578.28
Net surplus in the Statement of profit and loss	**(B)**	**2,957.14**	2,816.05
Total reserves and surplus	**(A+B)**	**3482.35**	3341.26

	Long term		**Short-term**	
	March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015
Note 5. Trade payables and other liabilities				
Trade payables				
a. total outstanding dues of micro enterprises and small enterprises (note 30 for details of dues to micro and small enterprises)	**-**	-	**74.11**	3.25
b. total outstanding dues of creditors other than micro enterprises and small enterprises	**1,796.42**	592.21	**6,925.74**	**4,587.57**
	1,796.42	592.21	**6,999.85**	4,590.82
Other Liabilities				
Unearned revenue	-	**-**	**1,369.02**	4,409.70
Customer advances	**-**	**-**	**501.12**	788.78
Interest accrued but not due on intercorporate loan	**-**	**-**	**10.96**	-
Employee related payables	-	**-**	**88.59**	156.39
Statutory dues and other liabilities*	-	**-**	**191.00**	122.05
	-	**-**	**2,160.69**	5,476.92
Total	**1,796.42**	592.21	**9,160.54**	10,067.74

* includes tax deducted at source, provident fund, VAT etc.

Notes to Financial Statements

	March 31, 2016	March 31, 2015
Note 6. Short-term borrowings		
Secured:		
From banks	**693.14**	40.54
Unsecured:		
From other than banks - Inter corporate Loan from Thermax Limited	**1,400.00**	-
	2,093.14	40.54

- Short term borrowing from bank is secured by hypothecation of book debts of the Company and carries interest of 12.50% p.a. and is repayable on demand.
- The intercorporate loan has been taken from Thermax Limited (Parent Company) at interest rate of 12.30% and is repayable on demand or within six months.

	March 31, 2016	March 31, 2015
Note 7. Short term provisions		
Provision for employee benefits		
Provision for gratuity (note 24)	**29.31**	-
Provision for leave encashment	**118.89**	120.17
	148.20	120.17
Other provision		
Provision for onerous contracts (note 29)	**243.56**	67.43
	243.56	67.43
Total	**391.76**	187.60

Note 8. Tangible assets

	Plant and equipment	Office Equipments	Computers	Vehicles	Total
Cost					
At 01 April 2014	606.76	18.31	72.96	104.54	**802.57**
Additions	67.85	29.88	-	22.49	120.22
Disposals	(19.18)	(4.75)	-	(2.63)	(26.56)
At 31 March 2015	**655.43**	**43.44**	**72.96**	**124.40**	**896.23**
Additions	14.96	2.75	-	-	17.71
Disposals/Adjustments	(44.39)	(1.24)	(7.40)	(6.64)	(59.67)
At 31 March 2016	**626.00**	**44.95**	**65.56**	**117.76**	**854.27**
Depreciation					
At 01 April 2014	334.74	20.16	56.40	73.54	**484.84**
Charge for the year	66.83	10.04	-	13.32	90.19
Disposals	(18.21)	(4.69)	-	(2.56)	(25.46)
At 31 March 2015	**383.36**	**25.51**	**56.40**	**84.30**	**549.57**
Charge for the year	67.91	7.81	8.23	14.48	98.43
Disposals/Adjustments	(48.35)	(0.36)	(8.11)	(1.03)	(57.85)
At 31 March 2016	**402.92**	**32.96**	**56.52**	**97.75**	**590.15**
Net Block					
At 31 March 2015	**272.07**	**17.93**	**16.56**	**40.10**	**346.66**
At 31 March 2016	**223.08**	**11.99**	**9.04**	**20.01**	**264.12**

Note 9. Intangible Assets

	Computer software	Total
Gross block		
At 01 April 2014	**0.38**	**0.38**
Additions	1.50	1.50
At 31 March 2015	**1.88**	**1.88**
Additions	-	-
At 31 March 2016	**1.88**	**1.88**
Amortization		
At 01 April 2014	**0.38**	**0.38**
Charge for the year	0.03	0.03
At 31 March 2015	**0.41**	**0.41**
Charge for the year	0.48	0.48
At 31 March 2016	**0.89**	**0.89**
Net Block		
At 31 March 2015	**1.47**	**1.47**
At 31 March 2016	**0.99**	**0.99**

	March 31, 2016	March 31, 2015
Note 10. Deferred Tax Assets (net)		
Deferred tax liabilities		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	**-**	(19.48)
	-	(19.48)
Deferred tax assets		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	**55.07**	38.85
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	**27.03**	-
Provision for doubtful debts and advances	**265.18**	301.42
Others	**76.47**	8.85
	423.75	349.12
	423.75	329.64

Notes to Financial Statements

	Long term		Short-term	
	March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015
Note 11. Loans and Advances				
Unsecured, considered good				
Capital advances	**1.68**	1.68	**-**	-
Security deposits	**-**	-	**47.05**	38.04
Advances recoverable in cash or kind	**-**	-	**2,447.53**	1,883.61
	1.68	1.68	**2,494.58**	1,921.65
Other loans and advances				
Unsecured, considered good				
Advance income-tax (net of provision for taxation)	**2,002.17**	1,354.21	**-**	-
Prepaid expenses	**-**	-	**10.20**	20.20
Balance with government authorities	**913.46**	690.89	**-**	-
Advances to staff and workers	**-**	-	**40.11**	54.73
	2,915.63	2,045.10	**50.31**	74.93
Doubtful				
Balance with government authorities	**75.66**	28.48	-	-
Advances to staff and workers	-	-	0.16	0.45
	2,991.29	2,073.58	50.47	75.38
Less: Provision for doubtful advances	**(75.66)**	(28.48)	**(0.16)**	(0.45)
Total	**2,917.31**	2,046.78	**2,544.89**	1,996.58

	Non-current		Current	
	March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015
Note 12. Trade receivable				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	-	258.11	**1,134.89**	845.32
Doubtful	**195.03**	-	**530.10**	-
	195.03	258.11	1,664.99	**845.32**
Less: Provision for doubtful receivables	**(195.03)**	-	(530.10)	-
	-	**258.11**	1,134.89	845.32
Other receivables				
Unsecured, considered good	-	-	**3,121.12**	5,666.51
Doubtful	-	-	**1.11**	862.58
	-	-	**3,122.23**	6,529.09
Less: Provision for doubtful receivables	-	-	**(1.11)**	(862.58)
	-	-	**3,121.12**	5,666.51
	-	258.11	**4,256.01**	6,511.83

	March 31, 2016		March 31, 2015	
	Units (nos)	**Amount**	Units (nos)	Amount
Note13. Investments				
Current investments (valued at lower of cost and fair value, unless stated otherwise)				
Non-Trade				
Investments in Mutual funds (Quoted)				
UTI Floating Rate Fund	-	-	48,706.34	496.53
SBI- Premier Liquid Fund	-	-	23,464.81	235.41
SBI MAGNUM Liquid Fund	-	-	39,825.96	402.21
Kotak- Liquid Fund	-	-	40,138.84	490.82
Total		-		1,624.97

Aggregate amount of quoted mutual funds as at March 31, 2016 is Rs. Nil (Previous year Rs. 1,624.97)

	Non-current		Current	
	March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015
Note 14. Cash and bank balance				
Cash and cash equivalents				
Balances with banks				
- on current accounts			66.40	600.15
Cheques, drafts on hand			-	0.07
Cash on hand			0.21	0.99
			66.61	601.21
Other Bank Balance				
- on deposits with remaining maturity for more than 12 months	**2.77**	2.79	-	-
- on deposits with remaining maturity less than 12 months	-	-	-	-
	2.77	2.79	-	-
Less: Amounts disclosed under non-current assets	**2.77**	2.79	-	-
Total	-	-	**66.61**	601.21

	Non-current		Current	
	March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015
Note 15. Other assets				
Unsecured, considered good unless stated otherwise				
Non-current bank balance (note 14)	**2.77**	2.79	**-**	-
Unbilled revenue	**-**	-	**6,895.38**	897.95
Interest accrued on fixed deposits	**2.38**	2.17	**-**	-
Prepaid long term employee benefits (gratuity)	**-**	59.19	**-**	-
Total	**5.15**	64.15	**6,895.38**	897.95

	March 31, 2016	March 31, 2015
Note 16. Revenue from operations		
Sale of services	**33,825.09**	20,379.67
Revenue from operations	**33,825.09**	20,379.67

The above includes revenue from construction contracts (note 23)

Details of Sale of services:		
Erection and commissioning	**33,405.46**	19,731.38
Supervision services	**419.63**	648.29
Total	**33,825.09**	20,379.67

	March 31, 2016	March 31, 2015
Note 17. Other Income		
Interest income		
Others	**13.45**	0.99
Dividend income		
Current investment	**41.38**	107.73
Net gain on sale of investments		
Long-term investment	**2.93**	-
Reversal for bad and doubtful debts	**473.26**	194.45
Profit on sale of fixed assets (net)	**4.80**	2.78
Exchange fluctuation gain	**1.82**	0.31
Miscellaneous income	**17.23**	23.51
	554.87	329.77

Notes to Financial Statements

	March 31, 2016	March 31, 2015
Note 18. Employee benefits expense		
Salaries and wages	**2,044.96**	1,872.14
Contribution to provident and other funds	**103.35**	110.89
Gratuity expense (note 24)	**89.37**	13.99
Staff welfare expenses	**16.33**	11.78
	2,254.01	2,008.80

Note 19. Finance costs	**March 31, 2016**	March 31, 2015
Interest expense	**21.17**	6.69
	21.17	6.69

Note 20. Depreciation and amortization expense	**March 31, 2016**	March 31, 2015
Depreciation of tangible assets	**98.43**	90.19
Amortization of intangible assets	**0.48**	0.03
	98.91	90.22

Note 21. Other expenses	**March 31, 2016**	March 31, 2015
Power and fuel	**10.44**	8.96
Site Expenses and Contract Labour Charges	**687.70**	668.34
Erectioning and commissioning expenses	**29,035.75**	15,345.59
Rent (note 27)	**290.72**	252.52
Rates and taxes	**42.87**	11.46
Insurance	**29.35**	22.51
Repairs and maintenance		
Others	**30.55**	29.77
Traveling and conveyance	**520.50**	466.41
Legal and professional fees	**68.67**	84.61
Director sitting fees	**7.90**	-
Payment to auditor (refer details below)	**7.17**	6.28
Liquidated damages	**23.75**	-
Bad debts/ advances written off	**213.66**	87.25
Corporate cost allocation	**71.10**	70.45
Provision for onerous contracts (refer note 29)	**176.12**	19.17
Provision for bad and doubtful debts	**336.92**	591.91
Provision for bad and doubtful advances	**46.89**	-
CSR expenditure (note 32)	**10.24**	12.00
Miscellaneous expenses	**178.65**	141.43
	31,788.95	17,818.66

	March 31, 2016	March 31, 2015
Payment to auditors		
As auditor:		
Audit fee	**5.50**	4.50
Tax audit fee	**0.90**	0.90
In other capacity:		
Taxation matters	**-**	-
Other services	**0.60**	0.60
Reimbursement of expenses	**0.17**	0.28
Other services	**7.17**	6.28

22. Contingent liability and capital commitments

a) Contingent Liabilities

Particulars	**March 31, 2016**	March 31, 2015
Income tax demands *	**309.84**	173.24
Sales tax demands*	**71.42**	158.04
Bank guarantees for advance payments and performance	**4,787.00**	7,252.00
Bank guarantees to statutory authorities	**0.10**	9.00
Service tax demands*	**846.73**	548.57
Total	**6,015.09**	8,140.85

* including interest and penalty demanded by authorities but excluding any further interest or penalty thereon.

i. Income tax demands comprise disallowances for certain expenses incurred by the Company. The Company is contesting the disallowances and the management, based on the opinion of its tax advisors, believes that its positions will likely be upheld in the appeal process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

ii. Sales Tax demand pertains to VAT orders received in various states. These matters are currently under Appellate proceedings in respective states.

iii. Disputed demands in respect of Service Tax along with interest and penalty on deemed material sales for the period FY 08-09 to FY 12-13 and for Service tax on customer advances outstanding as on April 01, 2011. These cases are currently pending with CESTAT.

Based on favourable decisions in similar cases and legal opinion taken by the Company, discussions with tax advisors, etc., the Company believes that there is a fair chance of decisions in its favour in respect of above and hence no provision is considered necessary against the same.

b) Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs. 1.69 (Previous year Rs.2.06).

23. Disclosure pursuant to Accounting Standard (AS) -7

Particulars	**March 31, 2016**	March 31, 2015
Contract revenue recognised during the year	**33,825.09**	20,379.67
Aggregate amount of contract costs incurred and recognised profits (less recognised losses)	**77,629.90**	55,710.59
Customer advance outstanding for contract in progress	**501.12**	788.78
Retention money due from customers for contracts in progress.	**755.82**	1,103.43
Gross amount due from customers (disclosed as unbilled revenue (refer note 15))	**6,895.38**	897.95
Gross amount due to customers (disclosed as unearned revenue (refer note 5))	**1,369.02**	4,409.70

Notes to Financial Statements

24. Gratuity

The Company operates a defined benefit plan viz. gratuity for its employees. Under the gratuity plan, every employee who has completed at least specified years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each year of service. The scheme is funded with an insurance Company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the Statement of profit and loss and the funded status and amounts recognized in the balance sheet.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

Particulars	**March 31, 2016**	March 31, 2015
Current service cost	**55.30**	17.32
Interest cost on benefit obligation	**13.23**	9.60
Expected return on plan assets	**(16.59)**	(14.88)
Net actuarial (gain)/loss	**37.43**	1.95
Net benefit expense	**89.37**	13.99

Balance sheet

Particulars	**March 31, 2016**	March 31, 2015
Present value of defined benefit obligation	**238.34**	146.52
Less: Fair value of plan assets	**(209.03)**	(205.71)
Plan liability/(asset)	**29.31**	(59.19)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	**March 31, 2016**	March 31, 2015
Opening defined benefit obligation	**146.52**	120.03
Interest cost	**13.23**	9.60
Current service cost	**55.30**	17.32
Benefits paid	**(13.50)**	-
Actuarial losses/(gains) on obligation	**36.79**	(0.43)
Closing defined benefit obligation	**238.34**	146.52

Changes in the fair value of plan assets are as follows:

Particulars	**March 31, 2016**	March 31, 2015
Opening fair value of plan assets	**205.71**	166.33
Expected return	**16.59**	14.88
Actuarial (losses)	**(0.64)**	(2.38)
Contributions by employer	**0.87**	26.88
Benefits paid	**(13.50)**	-
Closing fair value of plan assets	**209.03**	205.71

The Company expects to contribute Rs.2.79 to the gratuity fund in the next year. (Previous year: Rs 1.00)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	**March 31, 2016**	March 31, 2015
Investments with insurer	**100%**	100%

The principal assumptions used in determining gratuity for the Company's plan is shown below:

Particulars	**March 31, 2016**	March 31, 2015
Discount rate	**8%**	8%
Expected rate of return on assets	**8%**	8%
Normal retirement age	**60**	60
Salary escalation rate	**8%**	7% p.a.
Mortality Table	**Indian Assured Lives Mortality (2006-08) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate
Employee turnover		
Age 21-30	**15.00%**	15.00%
Age 31-34	**10.00%**	10.00%
Age 35-44	**5.00%**	5.00%
Age 45-50	**3.00%**	3.00%
Age 51-54	**2.00%**	2.00%
Age 55 & above	**1.00%**	1.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the interest rate prevailing in the market on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current year and previous four years are as follows:

Particulars	**March 31, 2016**	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	**238.34**	146.52	120.03	111.19	93.12
Plan assets	**209.03**	205.71	166.34	131.95	102.66
Surplus/(Deficit)	**(29.31)**	59.19	46.31	20.76	9.54
Experience adjustments on plan liabilities	**21.96**	(0.43)	(11.42)	6.26	4.68
Experience adjustments on plan assets	**(0.64)**	(1.45)	1.27	1.87	0.48

25. Segment information

Business Segment

The entire operation is governed by the same set of risk and returns confirmed as representing a single primary segment and not analysed separately. The analysis of geographical segment is based on the geographical location of customers. As the Company's operations predominantly in India with the same set of risks and returns, there are no reportable geographical segments identified.

Geographical Segment

The analysis of geographical segment is based on the areas in which major operating divisions of the Company operates.

Primary Segment

The Company is exclusively engaged in the business of erection & commissioning. Accordingly, these activities comprising of primary basis of segment information as per AS-17 set out in the financial statements.

Secondary Segment

The Company caters mainly to the needs of Indian markets. Hence, there are no reportable geographical segments.

Notes to Financial Statements

26. Related party disclosures

Names of related parties and related party relationship:
Related parties where control exists

Holding company	Thermax Limited
Ultimate holding company	ARA Trusteeship Company Private Limited, India

Related parties under AS 18 with whom transactions have taken place during the year

A. Fellow Subsidiaries

Thermax Instrumentation Limited, India

B. Individuals having control or significant influence over the Company by reason of voting power, and their relatives:

Mrs. Meher Pudumjee - Chairperson of parent company

Mrs. Anu Aga - Director of parent company

Mr. Pheroz Pudumjee - Director of parent company

C. Enterprise over which control is exercised by individuals listed in 'B' above:

Thermax Foundation - Earlier known as Thermax Social Initiative Foundation

27. Leases

a. Operating lease: Company as lessee

The Company has taken its office premises and a warehouse on cancellable operating lease. The tenure of such leases is for a period of one year. Lease rentals are charged to the Statement of profit and loss for the year. There are no sub-leases. The leases are renewable on mutually agreeable terms. The Company has an option to terminate the agreement or extend the term by giving notice in writing.

Future minimum lease rental payables under operating leases are as follows:

Particulars	**March 31, 2016**	March 31, 2015
Lease payments for the year	**290.72**	252.52
Within one year	**NA**	NA
After one year but not more than five years	**NA**	NA
More than five years	**NA**	NA

28. Earnings Per Share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	**March 31, 2016**	March 31, 2015
Net profit for calculation of basic and diluted EPS	**141.09**	578.28
Weighted average number of equity shares (in lakhs)	**45.00**	45.00
Basic & Diluted EPS (Rs.)	**3.14**	12.85
Nominal value of shares (Rs.)	**10.00**	10.00

29. Disclosure as required by AS - 29 (Contingent Liabilities and Provisions):

	Provision for onerous contracts	
Particulars	**March 31, 2016**	March 31, 2015
At the beginning of the year	**67.43**	48.26
Arising during the year	**226.08**	36.79
Utilised /reversed during the year	**49.96**	17.62
At the end of the year	**243.56**	67.43
Current portion	**243.56**	67.43
Non-current portion	**-**	-

30. Details of dues to micro and small enterprises as defined under The Micro, Small and medium enterprises Development (MSMED) Act 2006

Particulars	**March 31, 2016**	March 31, 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	**74.11**	3.25
Principal amount due to micro and small enterprises	**74.11**	3.25
Interest due thereon	**-**	-
The amount of interest paid by the Company in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	**-**	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	**-**	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	**-**	-

31. Expenditure in foreign currency (on accrual basis)

Particulars	**March 31, 2016**	March 31, 2015
Travelling and conveyance expenses	**129.81**	132.23
Total	**129.81**	132.23

32. Corporate Social Responsibility

Particulars	**March 31, 2016**	March 31, 2015
Gross amount required to be spent by the Company during the year	**10.24**	11.85
Total	**10.24**	11.85

Amount spent during the year ended March 31, 2016	**In cash**	**Yet to be paid in cash**	**Total**
a. Construction/acquisition of any asset	**-**	**-**	-
b. On purposes other than (a) above	**10.24**	**-**	10.24
Total	**10.24**	**-**	10.24

Amount spent during the year ended March 31, 2015	**In cash**	**Yet to be paid in cash**	**Total**
a. Construction/acquisition of any asset	**-**	**-**	-
b. On purposes other than (a) above	**12.00**	**-**	12.00
Total	**12.00**	**-**	12.00

33. Previous year's figures have been regrouped/ reclassified where necessary to conform to this year's classification.

Notes to Financial Statements

B. Transactions with Related parties:

	Holding Company		Fellow Subsidiary		Entities controlled by Directors		Total	
	March 31 2016	March 31 2015	**March 31 2016**	March 31 2015	**March 31 2016**	March 31 2015	**March 31 2016**	March 31 2015
a. Transactions during the year								
Sales of products and services	7,490.96	8,552.42	-	3.52	-	-	7,490.96	8,555.94
Employee benefit expense	59.63	30.01	-	-	-	-	59.63	30.01
Repairs and maintenance	6.73	5.04	-	-	-	-	6.73	5.04
Rent paid	61.11	60.84	-	-	-	-	61.11	60.84
Site expenses	22.02	70.56	-	-	-	-	22.02	70.56
Miscellaneous expenses	88.74	52.78	0.07	-	-	-	88.81	52.78
Corporate cost allocation	71.10	70.45	-	-	-	-	71.10	70.45
Donation paid	-	-	-	-	10.24	12.00	10.24	12.00
Interest Expense on intercorporate loan	10.96	-	-	-	-	-	10.96	-
b. Balances as at the year end								
Trade receivables	1,055.57	1,904.40	-	-	-	-	1,055.57	1,904.40
Intercorporate loan	1,400.00	-	-	-	-	-	1,400.00	-
Trade payable	52.08	24.12	-	-	-	-	52.08	24.12
Trade advances	162.17	260.05	-	-	-	-	162.17	260.05
Interest accrued on intercorporate loan	10.96	-	-	-	-	-	10.96	-
Guarantees and collaterals	9,000.00	9,000.00	-	-	-	-	9,000.00	9,000.00

Notes to Financial Statements

C. Related party transactions include transactions pertaining to the following parties with whom the percentage of the transactions are 10 % or more of the total of the above:

Particulars	March 31, 2016	March 31, 2015
Transactions during the year		
Sale of product and services		
Thermax Limited	7,490.96	8,552.42
Employee benefits expense		
Thermax Limited	59.63	30.01
Donation paid		
Thermax Foundation	10.24	12.00
Repair and maintenance business		
Thermax Limited	6.73	5.04
Interest on inter corporate loan		
Thermax Limited	10.96	-
Rent paid		
Thermax Limited	61.11	60.84
Site expenses		
Thermax Limited	22.02	70.56
Miscellaneous expenses		
Thermax Limited	88.74	52.78
Corporate overhead allocation		
Thermax Limited	71.10	70.45
Balances as at the year end		
Trade receivables		
Thermax Limited	1,055.57	1,904.40
Intercorporate loan		
Thermax Limited	1,400.00	-
Interest accrued on intercorporate loan		
Thermax Limited	10.96	-
Trade advances		
Thermax Limited	162.17	260.05
Trade payables		
Thermax Limited	52.08	24.12
Guarantees and collaterals		
Thermax Limited	9,000.00	9,000.00

As per our report of even date

For S R B C & CO LLP Chartered Accountants ICAI Firm Reg. No.324982E/ E300003	**For B. K. Khare & Co.** Chartered Accountants Firm Reg. No.105102W	**For and on behalf of the Board of Directors of Thermax Engineering Construction Company Limited**	
per Tridevlal Khandelwal Partner Membership No. 501160	**per Naresh Kumar Kataria** Partner Membership No. 037825	**Amitabha Mukhopadhyay** Director DIN: 01806781	**Pravin Karve** Director DIN: 06714708
Pune, 4th May, 2016	Pune, 4th May, 2016	Pune, 4th May, 2016	

Cash Flow Statement for the year

	Particulars	Year ended 31 March 2016	Year ended 31 March 2015
A	**Cash Flow from Operating Activities**		
	Profit before tax	**216.92**	785.07
	Non-cash adjustment to reconcile (loss) before tax to net cash flows		
	Depreciation/ amortization	**98.91**	90.22
	Profit on sale of fixed assets	**(4.80)**	(2.78)
	Profit from sale of Investments	**(44.31)**	(107.73)
	Provision/ (reversal) for doubtful debts	**(136.34)**	397.46
	Interest expense	**21.17**	6.69
	Interest (income)	**(13.45)**	(0.99)
	Operating profit before working capital changes	**138.10**	1,167.94
	Increase/(decrease) in trade payables	**3,613.24**	1,766.30
	(Decrease)/ increase in provisions	**204.16**	50.89
	(Decrease)/Increase in other liabilities	**(3,327.19)**	2,810.91
	Decrease/(increase) in trade receivables	**2,650.27**	(3,089.35)
	Decrease in loans and advances	**(6,706.93)**	(180.75)
	Cash (used in)/generated from operations	**(3,428.35)**	2,525.94
	Direct taxes paid (net of refunds)	**(818.30)**	(719.26)
	Net cash flow (used in)/ from operating activities (A)	**(4,246.65)**	1,806.68
B	**Cash flows from investing activities**		
	Purchase of fixed assets, including CWIP and capital advances	**(17.71)**	(121.70)
	Proceeds from sale of fixed assets	**6.62**	3.88
	Sale of investments	**1,624.97**	-
	Purchase of investments	**-**	(1,624.97)
	Interest received	**11.07**	0.99
	Dividend received	**44.31**	107.73
	Net cash flow from/(used in) investing activities (B)	**1,669.26**	(1,634.07)
C	**Cash flows from financing activities**		
	Interest paid	**(10.21)**	(6.69)
	Short term Borrowings	**2,053.00**	(435.13)
	Net cash flow from /(used in) financing activities (C)	**2,042.79**	(441.82)
	Net increase in cash and cash equivalents (A + B + C)	**(534.60)**	(269.21)
	Cash and cash equivalents at the beginning of the year	**601.21**	870.42
	Cash and cash equivalents at the end of the year	**66.61**	601.21
	Components of cash and cash equivalents		
	Balances with banks	**66.40**	600.15
	Cheques, drafts on hand	**-**	0.07
	Cash on hand	**0.21**	0.99
	Total cash and cash equivalents (note 14)	**66.61**	601.21
	Summary of significant accounting policies	**2.1**	

As per our report of even date

For S R B C & CO LLP Chartered Accountants ICAI Firm Reg. No.324982E/ E300003	**For B. K. Khare & Co.** Chartered Accountants Firm Reg. No.105102W	**For and on behalf of the Board of Directors of Thermax Engineering Construction Company Limited**	
per Tridevlal Khandelwal Partner Membership No. 501160	**per Naresh Kumar Kataria** Partner Membership No. 037825	**Amitabha Mukhopadhyay** Director DIN: 01806781	**Pravin Karve** Director DIN: 06714708
Pune, 4th May, 2016	Pune, 4th May, 2016	Pune, 4th May, 2016	

Board of Directors

Ravinder Advani

B.C. Mahesh

Amitabha Mukhopadhyay

Ajay Joshi- Independent Director

Ashok. K. Joshi- Independent Director

Registered Office

Thermax House,
14, Mumbai – Pune Road, Wakdewadi,
Pune - 411003

Auditors

B. K. Khare & Co.

Chartered Accountants
Hotel Swaroop, 4th Floor, Lane No. 10,
Prabhat Road, Pune 411004

&

SRBC & CO., LLP, Chartered Accountants,

C-401, 4th Floor, Panchshil Tech Park, Yerwada,
Pune 411006

Key Managerial Personnel

M. L. Bindra (Manager)

Vedhanarayanan K. S. (Chief Financial Officer)

Sudhir Lale (Company Secretary)

Corporate Office

Sai Chambers
15, Mumbai-Pune Road,
Wakdewadi,
Pune - 411003

Bankers

Union Bank of India
HDFC Bank Limited
State Bank of India
Corporation Bank
ICICI Bank
Citibank NA

Directors' Report

Dear shareholder,

The directors present the Twentieth Annual Report for the year ended March 31, 2016.

FINANCIAL RESULTS

(Rs. in lac)

Particulars	**2015-2016**	2014-2015
Total Income	13,827.80	10,471.99
Profit / (Loss) before Depreciation	1,745.24	771.34
Depreciation	47.60	33.46
Profit / (Loss) before Tax	1,697.64	737.88
Provision for Taxation including Deferred Tax	798.56	368.96
Profit / (Loss) after tax	899.08	368.92

STATE OF COMPANY'S AFFAIRS

During the year, the company earned a total income of Rs. 13,827.80 lac against Rs. 10,471.99 lac in the previous year. Profit before tax stood at Rs. 1,697.64 lac (previous year Rs. 737.88 lac) and profit after tax was Rs. 899.08 lac (previous year loss after tax of Rs. 368.92 lac).

In Financial Year 2015-16 the company completed erection of six power plants. The performance of the company improved due to better turnaround of jobs on hand and exercise of better control on project execution. Increased revenue through international operations has also contributed to better profitability.

During the year company could commercially close 7 contracts including the 300 MW Independent Power Project.

The order booking in captive sector in current year was Rs. 7,501 lac as against Rs. 8,160 lac in the previous year as the expected recovery in power sector is yet to gather momentum.

MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the company.

HEALTH AND SAFETY

The company's continued focus on safety at sites has resulted in an Lost Time Injury (LTI) free year. The company's performance in this area has been recognized by some of its customers including awards from National Mineral Development Corporation, Meenakshi Energy Private Ltd and North Eastern Electric Power Corporation. OHSAS surveillance audit has been successfully completed.

DIVIDEND

In view of the accumulated losses the directors do not recommend any dividend during the year.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review the company did not give any loan or made an investment pursuant to the provisions of Section 186 of the Companies Act, 2013.

AMOUNT PROPOSED TO BE CARRIED TO RESERVES

The company does not propose to carry any amount to reserves.

SHARE CAPITAL

The Paid up Share Capital of the company is Rs. 1900 lac. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.

PUBLIC DEPOSITS

The company has not accepted any deposits under Chapter V of the Companies Act, 2013. It has no unpaid / unclaimed deposit(s) as on March 31, 2016.

BUSINESS RISK MANAGEMENT

The company has a process of evaluating risk. It keeps track of risk portfolio and every quarter tracks the changes of any risk and prepare its mitigation plan. The Board is informed about the changes in economical and environmental factors and its impact on strategic business decision and risk portfolio. After detailed review of risk and mitigation measures the management has confirmed that there is no risk as on date which threatens the existence of the company. It will continue to actively monitor and strengthen its risk management framework.

The company has put an integrated computer system to track and monitor statutory compliances. The Company has completed its reimplementation of ERP System.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal controls are reviewed by the Internal Audit Department of the holding company on a periodical basis. All significant and material observations emerging out of internal audit are regularly reported to the Audit Committee of the Board and follow-up measures are taken.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The company being a wholly owned subsidiary of Thermax Limited has decided to adopt the policies of the holding company on criteria and determination of qualification of Independent Directors and KMPs. The Directors do not receive any remuneration except independent directors who are entitled to sitting fees as approved by the Board for each Board/Committee meeting attended.

DIRECTORS

R. V. Ramani, Director of the company resigned on April 21, 2016. The Board would like to appreciate and place on record contribution made by him during his tenure.

In accordance with the provisions of the Companies Act, 2013 and the company's Articles of Association, B. C. Mahesh retires by rotation, and being eligible, offers himself for re-appointment as director.

DECLARATION BY INDEPENDENT DIRECTORS

The company has received declarations from the Independent Directors confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

MANAGER

M. L. Bindra has been re-appointed as 'Manager' of the company pursuant to Companies Act, 2013 on January 22, 2016 for the period from April 1, 2016 to March 31, 2017.

BOARD MEETINGS

The Board met five times on May 05, 2015, July 21, 2015, September 11, 2015, October 20, 2015 and January 22, 2016 during the year. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The Directors have prepared the annual accounts on a going concern basis; and

(e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMMITTEES OF THE BOARD

The Board has following committees' viz. Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility (CSR) Committee.

AUDIT COMMITTEE

The Audit Committee met five times during the year on May 05, 2015, July 20, 2015, October 20, 2015, December 11, 2015 and January 22, 2016.The Committee comprises 3 (Three) members, all being non-executive directors namely Ajay Joshi (Chairman), Amitabha Mukhopadhyay and Ashok K. Joshi.

NOMINATION AND REMUNERATION COMMITTEE

The committee comprises 3 (Three) members namely B. C. Mahesh (Chairman), Ajay Joshi and Ashok K. Joshi. The Committee met two times during the year on January 22, 2016 and February 24, 2016.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In compliance with Section 135 of the Companies Act, 2013, the Board at its meeting held on January 22, 2016 has constituted the Corporate Social Responsibility (CSR) Committee. The committee comprises 3 (Three) members namely B. C. Mahesh (Chairman), Ajay Joshi and Ashok K. Joshi.

RELATED PARTY TRANSACTIONS

All related party transactions (RPTs) that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the company at large. Therefore requirements of disclosure of Related Party Transactions in AOC-2 are not attached.

During the year, as required under section 177 of the Companies Act, 2013 RPTs were placed before the Audit Committee for approval. A statement showing the disclosure of transactions with related parties as required under Accounting Standard 18 is set out separately in the Financial Statements.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT - 9, as required under Section 92, of the Companies Act, 2013, is annexed herewith as "Annexure 1"and forms part of this report.

CONSERVATION OF ENERGY

Energy audit for the company's premises at Pune has been conducted and erergy consumption reduction target has been taken for financial year 2016-17.

TECHNOLOGICAL ABSORPTION

There was no technology acquisition and absorption during the year under review.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pertaining to foreign exchange earnings and outgo, under Section 134 (3) (m) of the Companies Act, 2013 during the year is as follows:

	(Rs. in lac)
Foreign currency earnings	3,906.59
Foreign currency outgo	1,963.47

PARTICULARS OF EMPLOYEES

None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed under the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the regulators / courts which would impact the going concern status of the company and its future operations.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has in place an Anti Sexual Harassment Policy in line with the Thermax Group. The Company has not received any complaint regarding sexual harassment during the year.

AUDITORS

The Audit Committee has recommended ratification of appointment of M/s. SRBC & Co. LLP, Chartered Accountants, at the ensuing Annual General Meeting as Statutory Auditors.

ACKNOWLEDGEMENTS

Your directors wish to place on record their appreciation for the continued support extended by the company's customers, vendors and bankers during the year; and the dedicated contribution made by the employees and look forward to their continued support in the future as well.

For and on behalf of the Board of Directors of
Thermax Instrumentation Limited

Amitabha Mukhopadhyay	**B. C. Mahesh**
Director	Director
DIN: 01806781	DIN: 06631816

Pune, May 3, 2016

ANNEXURE 1

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

I.	CIN	:	U72200MH1996PTC099050
II.	Registration Date	:	23.04.1996
III.	Name of the Company	:	Thermax Instrumentation Limited
IV.	Category / Sub-Category of the Company	:	Public Company / Limited by Shares
V.	Address of the Registered office and contact details	:	Thermax House, 14, Mumbai – Pune Road, Wakdewadi, Pune- 411003
VI.	Whether listed company	:	No
VII.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Civil, Erection and Commissioning	9954	78.31
2	Operation and Maintenance	45207	21.69

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the company	CIN/GLN	Holding /Subsidiary/ Associates	% of Shares held	Applicable Section
1	Thermax Limited D-13, M.I.D.C. Industrial Area, R.D. Aga Road, Chinchwad, Pune - 411 019	L29299MH1980PLC022787	Holding	100	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	%of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govnt(s)	-	-	-	-	-	-	-	-	-
c) State Govnt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	8999994	8999994	100	-	8999994	8999994	100	0
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	**-**	**8999994**	**8999994**	**100**	**-**	**8999994**	**8999994**	**100**	**0**
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	%of Total Shares	
Total share holding of Promoter (A)= (A)(1)+(A) (2)	**-**	**8999994**	**8999994**	**100**	**-**	**8999994**	**8999994**	**100**	**0**
B. Public Shareholding									
1. Institution									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt									
d) State Govt(s)	------------------------------------NIL------------------------------------								
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Any other									
Sub-total(B)(1):-	-	-	-	-	-	-	-	-	-
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	------------------------------------NIL------------------------------------								
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lac	-	6	6	0	-	6	6	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lac									
c) Others (specify)									
- Directors Relative									
- Trusts	------------------------------------NIL------------------------------------								
- Foreign Bodies Corporate									
- Foreign Bodies-DR									
- Non Resident Indian									
- HUF									
- Clearing Members									
Sub-total(B)(2):-	**-**	**6**	**6**	**0**	**-**	**6**	**6**	**0**	**0**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**-**	**6**	**6**	**0**	**-**	**6**	**6**	**0**	**0**
C) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**-**	**9000000**	**9000000**	**100**	**-**	**9000000**	**9000000**	**100**	**0**

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholding at the end of the year (As on 31-03-2016)			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1	Thermax Limited	18999994	100	NIL	18999994	100	NIL	NIL

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholding at the end of the year (As on 31-03-2016)			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in share holding during the year
	TOTAL	**18999994**	**100**	**NIL**	**18999994**	**100**	**NIL**	**NIL**

* Including Preference Shares (10,000,000)

iii) Change in Promoters' Shareholding: NIL

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)		Shareholding at the end of the year (As on 31-03-2016)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	------------------------------------NIL------------------------------------			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL

Sl. No.	Name of the shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the company				No. of shares	% of total shares of the company
------------------------------------NIL------------------------------------								

(V) Shareholding of Directors and Key Managerial Personnel: NIL

Sl. No.	Name of the shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the company				No. of shares	% of total shares of the company
------------------------------------NIL------------------------------------								

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

Amount in Rs. Lac

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2015)				
i) Principal Amount	208.85	0	0	208.85
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**208.85**	**0**	**0**	**208.85**
Change in indebtedness during the financial year				
Addition	0	0	0	0
Reduction	34.31	0	0	34.31
Net Change	**34.31**	**0**	**0**	**34.31**

Amount in Rs. Lac

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year (31.03.2016)				
i) Principal Amount	243.16	0	0	243.16
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**243.16**	**0**	**0**	**243.16**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Manager (M. L. Bindra)
1	Gross salary	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	
	(c) Profits in lieu of salary under section 17(3)Income- taxAct,1961	
2	Stock Option	
3	Sweat Equity	
4	Commission- as % of profit - others, specify…	
5	Others, please specify (Retrial Benefits)	
	Total(A)	
	Ceiling as per the Act	

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount In Rs. Lac
1.	Independent Directors	Ajay Joshi	Ashok K. Joshi	-	-	
	Fee for attending board / committee meetings	4.10	4.10			8.20
	Commission	NIL				
	Others, please specify					
	Total(1)	**4.10**	**4.10**			**8.20**
2.	Other Non-Executive Directors Directors	Amitabha Mukhopadhyay	B. C Mahesh	R. V. Ramani	Ravinder Advani	
	Fee for attending board /	-------------------------------------NIL-------------------------------------				
	Committee meetings					
	Commission					
	Others, please specify					
	Rent for Premises					
	Security Deposit for Lease Premises					
	Total(2)					
	Total(B)=(1+2)					
	Total Managerial (A+B) Remuneration					
	Over all Ceiling as per the Act					

C. Remuneration to key managerial personnel other than MD/Manager/Whole Time Director

Amount in Rs. Lac

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary (Sudhir Lale)	**Chief Financial Officer (Vedhanarayanan K. S.)**	**Total**
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15.25	19.13	34.38
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.23	0.70	0.93
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as% of profit - Others, specify	-	-	-
5.	Others, please specify (Retrial Benefits)			
	Total	**15.48**	**19.83**	**35.31**

VII. Penalties /Punishment/ compounding of offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any (give Details)
a) Company					
Penalty					
Punishment					
Compounding					
b) Directors					
Penalty	---NIL-------------------------------				
Punishment					
Compounding					
c) Other Officers in Default					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors
of Thermax Instrumentation Limited

Place: Pune
Date: May 3, 2016

Amitabha Mukhopadhyay
Director
DIN: 01806781

B. C. Mahesh
Director
DIN: 06631816

Independent Auditor's Report

To the Members of Thermax Instrumentation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Thermax Instrumentation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Company's branches at Philippines and Zambia.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditor's judgment, 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 auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1(a) statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
   (c) The reports on the accounts of the branch offices of the Company audited under section 143 (8) of the Act by branch auditor has been sent to us and have been properly dealt by us in preparing this report;
   (d) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
   (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   (f) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 21(a) to the financial statements;
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.Refer note 28 to the financial statements. The Company did not enter into any derivative contracts during the year;
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Other Matter

The accompanying financial statements include total assets (gross) of Rs.2,148.02 lakh as at March 31, 2016, and total revenues and profit before tax of Rs.3,906.59 lakh and Rs.2,221.32 lakh for the year ended on that date, in respect of two (2) branches, which have been audited by branch auditors, whose financial statements, other financial information and auditor's reports have been furnished to us. Our opinion, in so far as it relates to amounts and disclosures included in respect of these branches is based solely on the reports of such branch auditors. Our opinion is not modified in respect of this matter.

For **S R B C & CO LLP**	For **B. K. Khare & Co.**
Chartered Accountants	Chartered Accountants
ICAI Firm Registration Number: 324982E/ E300003	Firm Registration Number: 105102W
per Tridevlal Khandelwal	**per Naresh Kumar Kataria**
Partner	Partner
Membership Number: 501160	Membership Number: 037825
Place of Signature: Pune	Place of Signature: Pune
Date: May 3, 2016	Date: May 3, 2016

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Thermax Instrumentation Limited (the "Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets are physically verified by the management according to a programme of phased verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed in respect of assets verified during the year.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits to which the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed there under to the extent notified, are applicable. Therefore, Clause 3(v) of the Order is not applicable to the Company.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay of deposit of tax deducted at source in a few cases.None of these dues were outstanding as at the year end, for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the dues outstanding for sales tax and service tax on account of any disputes, are as follows:

Name of the Statute	Nature of Dues (Including interest and penalty as applicable)	Forum where dispute is pending	Period to which amount relates*	Disputed Dues, Not Deposited* (Rs. in Lakh)
Andhra Pradesh Sales Tax	Sales Tax	Commercial Tax Officer, Somajiguda Circle, Hyderabad.	2007-08 to 2008-09	157.60
Chhattisgarh Sales Tax	Sales Tax	Add. Commissioner, Commercial Tax. Division1 Raipur	2008-09	12.49
West Bengal Sales Tax	Sales Tax	JCST, Kolkata South Circle, Kolkata.	2009-10	10.82
		WBCT-Appeal and Revision Board, Kolkata.	2007-08 to 2008-09 and 2011-12	56.60
Service Tax	Service Tax	Appellate Authority up to commissioner level	Various	42.95
		CESTAT, Mumbai	Various	35.02

*Excluding interest and penalty (if any) there on.

There are no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, duty of excise, cess and other material statutory dues as at the year end, for a period of more than six months from the date they become payable.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

As per our report of even date

For S R B C & CO LLP	**For B. K. Khare & Co.**
Chartered Accountants	Chartered Accountants
ICAI Firm Registration Number 324982E/E300003	Firm Registration Number 105102W
per Tridevlal Khandelwal	**per Naresh Kumar Kataria**
Partner	Partner
Membership Number: 501160	Membership Number: 037825
Place of Signature: Pune	Place of Signature: Pune
Date:May 3, 2016	Date:May 3, 2016

Annexure 2 to the Independent Auditors' Report of even date on the Financial Statements of Thermax Instrumentation Limted

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Thermax Instrumentation Limited

We have audited the internal financial controls over financial reporting of Thermax Instrumentation Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**	For **B. K. Khare & Co.**
Chartered Accountants	Chartered Accountants
ICAI Firm Registration Number: 324982E/ E300003	Firm Registration Number: 105102W
per Tridevlal Khandelwal	**per Naresh Kumar Kataria**
Partner	Partner
Membership Number: 501160	Membership Number: 037825
Place of Signature: Pune	Place of Signature: Pune
Date: May 3, 2016	Date: May 3, 2016

Balance Sheet as at March 31, 2016

Particulars	Note No.	Rs in Lakh As at March 31,2016	Rs in Lakh As at March 31,2015
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
a. Share capital	3	**1,900.00**	1,900.00
b. Reserves and surplus	4	**(710.53)**	(1,535.45)
		1,189.47	364.55
2. Non-current liabilities			
a. Deferred tax Liability (Net)	9	**-**	12.64
b. Other Long-term liabilities	5	**574.01**	1,298.39
		574.01	1,311.03
3. Current liabilities			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	5	0.47	6.32
- total outstanding dues of creditors other than micro enterprises and small enterprises	5	**3,456.98**	2,142.93
Other current liabilities	5	**5,325.96**	7,514.10
Short-term provisions	6	**454.42**	657.93
		9,237.83	10,321.28
TOTAL		**11,001.31**	11,996.86
II ASSETS			
Non-current assets			
Fixed assets			
Tangible Assets	7	230.49	245.25
Non-current investments	8	31.63	7.26
Deferred tax assets (net)	9	29.03	-
Loans and advances	10	2,832.56	3,407.90
Trade receivables		320.38	297.25
Other assets	12	20.95	42.05
		3,465.04	3,999.71
Current assets			
Current investments	8	287.13	272.39
Trade receivables	11	3,694.19	4,757.10
Cash and bank balance	13	1,632.06	870.10
Loans and advances	10	526.10	675.17
Other current assets	12	1,396.79	1,422.39
		7,536.27	7,997.15
Total		**11,001.31**	11,996.86
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of these financial statements.

Statement of profit and loss for the year ended March 31, 2016

Particulars	Note No.	Rs in Lakh Year Ended March 31, 2016	Rs in Lakh Year Ended March 31, 2015
Income			
Revenue from operations (net)	14	13,158.42	10,108.92
Other income	15	669.38	363.07
Total Income (I)		**13,827.80**	10,471.99
Expenses :			
Project bought out and components	16	612.97	869.28
Employee benefits expense	17	2,852.97	1,756.19
Finance costs	18	46.67	78.57
Depreciation and amortisation expense	19	47.60	33.46
Other expenses	20	8,569.95	6,996.61
Total Expenses (II)		**12,130.16**	9,734.11
Profit before tax (III=I-II)		**1,697.64**	737.88
Tax Expenses :			
Current tax		796.05	367.13
Reversal of MAT credit entitlement		44.18	-
Deferred tax	8 and 34	(41.67)	1.83
Total tax expense (IV)		**798.56**	368.96
Profit after tax (III- IV)		**899.08**	368.92
Basic and diluted earnings per equity share [nominal value Rs. 10 (Previous year: Rs.10)] Computed on the basis of total profit for the year	27	9.99	4.10
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg No.324982E/E300003
per Tridevlal Khandelwal
Partner
Membership No. 501160

Place : Pune
Date : May 03, 2016

For B. K. Khare & Co.
Chartered Accountants
Firm Reg No.105102W
per Naresh Kumar Kataria
Partner
Membership No. 037825

Place : Pune
Date : May 03, 2016

For and on behalf of the Board of Directors of Thermax Instrumentation Limited

B. C. Mahesh
Director
DIN: 06631816

Amitabha Mukhopadhyay
Director
DIN: 01806781

Vedhanarayanan K.S.
Chief Financial Officer

Sudhir Lale
Company Secretary

Place: Pune
Date: May 03, 2016

M. L. Bindra
Manager

Cash Flow Statement

Particulars	Rs in Lakh Year ended March 31, 2016	Rs in Lakh Year ended March 31, 2015
Cash flow from operating activities		
Profit before tax	**1,697.64**	737.88
Adjustment to reconcile profit before tax to net cash flow		
Depreciation and amortization expense	47.60	33.46
Loss on sale/ discard of assets	0.49	-
Unrealized foreign exchange loss	(57.64)	(84.90)
Liabilities no longer required written back	(44.78)	(5.52)
Provision for onerous contracts	73.75	320.61
Provision for doubtful debts	291.50	168.21
Bad debts / advances written off	268.63	1.59
Dividend (income)	(14.74)	(16.02)
Brokerage income	(49.97)	(47.97)
Rent income	(61.32)	-
Interest expense	46.67	74.01
Interest (income)	(144.10)	(30.08)
Operating profit before working capital changes	**2,053.73**	1,151.27
Movements in working capital:		
Increase/ (decrease) in trade payables and other liabilities	903.50	(1,518.37)
(Decrease) in provisions	(47.97)	(253.46)
(Increase)/ decrease in loans and advances	(259.02)	62.41
(Increase) / decrease in trade receivables	(1,928.39)	296.75
Decrease in other assets	286.17	304.89
Cash generated from operations	**1,008.02**	43.49
Direct taxes paid (net of refunds)	(355.97)	(365.30)
Net cash flow from/ (used in) operating activities (A)	**652.05**	(321.81)
Cash flows from investing activities		
Purchase of fixed assets	(35.11)	(3.03)
Proceeds from sale of fixed assets	1.78	-
Sale of investments	272.39	(16.02)
Purchase of investments	(311.50)	0.25
Investment in bank desposits	(0.03)	-
Dividend received	14.74	16.02
Brokerage received	49.97	47.97
Rent received	1.80	-
Interest received	144.10	30.08
Net cash flow from investing activities (B)	**138.14**	75.27
Cash flows from financing activities		
Proceeds from borrowings (net)	34.31	(684.75)
Interest paid	(46.67)	(74.01)
Net cash flow from in financing activities (C)	**(12.36)**	(758.76)
Net increase in cash and cash equivalents (A + B + C)	777.83	(1,005.30)
Effect of exchange differences on cash and cash equivalents held in foreign currency	(15.90)	47.15
Cash and cash equivalents at the beginning of the year	869.83	1,827.98
Cash and cash equivalents at the end of the year	**1,631.76**	869.83
Components of cash and cash equivalents		
Balances with banks	1,631.76	869.13
Cash on hand	-	0.70
Total cash and cash equivalents (refer note 13)	**1,631.76**	869.83

Summary of significant accounting policies 2.1

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg No.324982E/E300003
per Tridevlal Khandelwal
Partner
Membership No. 501160

Place : Pune
Date : May 03, 2016

For B. K. Khare & Co.
Chartered Accountants
Firm Reg No.105102W
per Naresh Kumar Kataria
Partner
Membership No. 037825

Place : Pune
Date : May 03, 2016

For and on behalf of the Board of Directors of Thermax Instrumentation Limited

B. C. Mahesh
Director
DIN: 06631816

Amitabha Mukhopadhyay
Director
DIN: 01806781

Vedhanarayanan K.S.
Chief Financial Officer

Sudhir Lale
Company Secretary

Place: Pune
Date: May 03, 2016

M. L. Bindra
Manager

Notes to Financial Statements

1. **Corporate information**

Thermax Instrumentation Limited (the "Company") is a public company domiciled in India. The Company is engaged in erection/commissioning, civil works and operation and maintenance of turnkey contracts for power plants. The Company caters to both domestic and international markets. The CIN of the Company is U72200MH1996PTC099050.

2. **Basis of preparation**

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with notified accounting standards referred to in Section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on accrual basis under the historical cost convention.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of products and services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 **Summary of significant accounting policies**

a) **Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) **Tangible fixed assets**

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the remaining life.

c) **Depreciation on tangible fixed assets**

Leasehold land is amortized on a straight line basis over the period of lease i.e. 95 years.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The Company has used the following estimates of the useful lives to provide depreciation on its fixed assets.

Asset category	Company's estimate of useful life (years)
Factory buildings	30
Plant and equipment	5 to 20
Office equipment	15
Computers	3
Vehicles	8

The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets.

- The useful lives of certain plant and equipment are estimated as 5 to 20 years. These lives are higher than those indicated in Schedule II.
- Office equipments are depreciated over the estimated useful lives of 15 years, which are higher than those indicated in Schedule II.
- Site infrastructure is depreciated fully in the year of purchase.

d) **Leases**

Where the Company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

e) **Borrowing costs**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

f) **Impairment of fixed assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the Carrying amount of an asset or CGU exceeds its recoverable amount, the asset is impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Notes to Financial Statements

g) Investments

Investments which are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary in nature, in the carrying amount of such long term investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

h) Retirement and other employee benefits

Retirement benefit in the form of provident fund and superannuation is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the funds. The Company recognizes contribution payable to the funds scheme as expenditure when an employee renders the related service. If the contribution payable to the schemes for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit plan, viz. gratuity. The cost of providing benefit under this plan is determined on the basis of actuarial valuation at each year end using the projected unit credit method. Actuarial gains and losses for defined benefit plans is recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet as it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

i) Provisions

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimates can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

j) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Income from service

Contract revenue in respect of projects for civil work, erection and commissioning, execution of which is spread over different accounting periods is recognized on the basis of percentage of completion method, measured by reference to the percentage of cost incurred upto the reporting date to estimated total cost for each contract.

Contract Revenue

Determination of revenues under the percentage of completion method necessarily involves making estimates by the management (some of which are of a technical nature) of the expected costs to completion, the expected revenues from each contract (adjusted for probable liquidated damages, if any) and the foreseeable losses to completion. When it is probable that the total contract costs will exceed the total contract revenue, the expected loss is recognised as an expense immediately.

Revenue from erection and commissioning, supervision and operation and maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered.

Dividend

Dividend income is recognized when the Company's right to receive is established by the reporting date.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

l) Foreign currency translation and balance

i. Initial recognition

Transactions in foreign currencies are recorded in reporting currency by applying to the foreign currency amount the exchange rates between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

iv. Translation of integral and non-integral foreign operation

The Company classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations".

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

m) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years.

Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

n) Segment reporting

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter-segment transfers

The Company generally accounts for inter-segment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Particulars	**Rs in Lakh As at March 31, 2016**	Rs in Lakh As at March 31, 2015
3. Share capital		
Authorized shares (Nos)		
90,00,000 (Previous Year : 90,00,000) Equity Shares of Rs. 10/- each	**900.00**	900.00
1,50,00,000 (Previous Year : 1,50,00,000) 1% Non-cumulative Redeemable Preference Shares of Rs 10/- each	**1,500.00**	1,500.00
	2,400.00	2,400.00
Issued, subscribed and fully paid share capital (Nos)		
90,00,000 (Previous Year : 90,00,000) Equity Shares of Rs. 10/- each	**900.00**	900.00
1,00,00,000 (Previous Year : 1,00,00,000) 1% Non-cumulative Redeemable Preference Shares of Rs 10/- each	**1,000.00**	1,000.00
Total issued, subscribed and fully paid-up share capital	**1,900.00**	1,900.00

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity Shares	As at March 31, 2016		As at March 31, 2015	
	Nos	Rs Lakh	Nos	Rs Lakh
Shares outstanding at the beginning of the year	90,00,000	900.00	90,00,000	900.00
Shares outstanding at the end of the year	90,00,000	900.00	90,00,000	900.00

Preference Shares	As at March 31, 2016		As at March 31, 2015	
	Nos	Rs Lakh	Nos	Rs Lakh
Shares outstanding at the beginning of the year	1,00,00,000	1,000.00	1,00,00,000	1,000.00
Shares outstanding at the end of the year	1,00,00,000	1,000.00	1,00,00,000	1,000.00

(b) Term/rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Term/rights attached to preference shares

The Non-cumulative Redeemable Preference Shares issued on March 29, 2013 shall be redeemed in one or more tranches not later than a period of five years from the date of allotment at face value. No voting rights are attached to the said Preference shares.

The Preference Share Capital is entirely held by Thermax Limited.

(d) Shares held by holding company

	As at March 2016	As at March 2015
Thermax Limited		
90,00,000 (Previous Year : 90,00,000) Equity Shares of Rs. 10/- each	**900.00**	900.00
1,00,00,000 (Previous Year : 1,00,00,000) 1% Non-cumulative Redeemable Preference Shares of Rs 10/- each	**1,000.00**	1,000.00
Total	**1,900.00**	1,900.00

(e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of shareholder	As at March 31, 2016		As at March 31, 2015	
	%	No. of Share	%	No. of Share
Equity shares of Rs. 10/- each fully paid				
Thermax Limited	100.00	90,00,000	100.00	90,00,000
1% Non-cumulative Redeemable Preference Shares of Rs 10/- each fully paid				
Thermax Limited	100.00	90,00,000	100.00	90,00,000

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents the legal ownerships of shares.

4. Reserves and surplus

		Rs in Lakh	Rs in Lakh
		As at March 31, 2016	As at March 31, 2015
Capital reserve	(A)	**1,118.84**	1,118.84
Foreign currency translation reserve			
Balance as per last financial statement		(7.39)	11.56
Add: Arising during the year		(74.16)	(18.95)
Closing balance	(B)	**(81.55)**	(7.39)
Surplus in statement of profit and loss			
Balance as per last financial statement		(2,646.90)	(3,010.01)
Less: additional depreciation [net of deferred tax of Rs. Nil (Previous Year Rs. 2.79 lakh)]		-	(5.81)
Add: profit for the year		899.08	368.92
Net surplus in the statement of profit and loss	**(C)**	**(1,747.82)**	(2,646.90)
Total reserves and surplus	**(A+B+C)**	**(710.53)**	(1,535.45)

5. Trade Payables and other liabilities

	Rs in Lakh		Rs in Lakh	
	Long term		Short-term	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
Trade payables				
a. total outstanding dues of micro enterprises and small enterprises (note 30 for details of dues to micro and small enterprises)	-	-	0.47	6.32
b. total outstanding dues of creditors other than micro enterprises and small enterprises*	574.01	1,298.39	3,456.98	2,142.93
	574.01	1,298.39	**3,457.45**	2,149.25
Other current liabilities				
Unearned revenue	-	-	1,579.78	3,631.58
Book overdraft	-	-	243.16	208.85
Customer advances	-	-	3,203.50	3,665.92
Statutory dues and other liabilities**	-	-	36.85	5.89
Other payables	-	-	262.67	1.86
	-	**-**	**5,325.96**	7,514.10
Total	**574.01**	1,298.39	**8,783.41**	9,663.35

*represents retention money amounting to Rs. 574.01 lakh (Previous year Rs.1,298.39 lakh)

** includes tax deducted at source, provident fund, etc.

6. Short term provisions

	Rs in Lakh	Rs in Lakh
	As at March 31, 2016	AS at March 31, 2015
Provision for employee benefits		
Provision for leave encashment	86.68	134.65
	86.68	134.65
Other provisions		
Provision for income tax	105.37	202.67
Provision for onerous contracts (refer note 28)	262.37	320.61
	367.74	523.28
Total	**454.42**	657.93

7. Fixed Assets

Rs in Lakh

Particulars	Land - lease-hold	Buildings	Plant and equipment	Office equip-ments	Computers	Vehicles	Total
Cost							
At April 1, 2014	**12.22**	**304.19**	**150.33**	**188.05**	**92.72**	**37.11**	**784.62**
Additions	-	-	-	3.03	-	-	3.03
Disposals	-	-	-	-	-	-	-
At March 31, 2015	**12.22**	**304.19**	**150.33**	**191.08**	**92.72**	**37.11**	**787.65**
Additions	-	-	0.67	24.42	10.02	-	35.11
Disposals/Adjustments	-	-	-	(2.04)	(6.99)	(12.79)	(21.82)
At March 31, 2016	**12.22**	**304.19**	**151.00**	**213.46**	**95.75**	**24.32**	**800.94**
-							
Depreciation							
At April 1, 2014	**2.91**	**137.69**	**77.65**	**179.35**	**82.38**	**20.36**	**500.34**
Transfer to reserve	-	-	8.60	-	-	-	8.60
Charge for the year	0.18	10.16	4.83	3.58	3.95	10.76	33.46
Disposals	-	-	-	-	-	-	-
At March 31, 2015	**3.09**	**147.85**	**91.08**	**182.93**	**86.33**	**31.12**	**542.40**
Charge for the year	0.18	10.16	8.63	24.65	2.88	1.10	47.60
Disposals/Adjustments	-	-	-	(0.76)	(6.64)	(12.15)	(19.55)
At March 31, 2016	**3.27**	**158.01**	**99.71**	**206.82**	**82.57**	**20.07**	**570.45**
Net Block							
At March 31, 2015	9.13	156.34	59.25	8.15	6.39	5.99	245.25
At March 31, 2016	**8.95**	**146.18**	**51.29**	**6.64**	**13.18**	**4.25**	**230.49**

Note:

Buildings and leasehold land includes assets given on lease:

Gross block Rs. 316.41 lakh (Previous year Rs.316.41 lakh)

Depreciation for the year Rs. 10.34 lakh (Previous year Rs.10.34 lakh)

Accumulated depreciation Rs. 161.28 lakh (Previous year Rs.150.94 lakh)

Net book value Rs. 155.13 lakh (Previous year Rs.165.47 lakh)

8. Investments

	As at March 31, 2016		As at March 31, 2015	
	Units (nos)	Rs in Lakh	Units (nos)	Rs in Lakh
Current investments (valued at lower of cost and fair value, unless stated otherwise)				
Non-Trade				
Investments in Mutual funds (Unquoted)				
ICICI Money Market Fund- Daily Dividend - Face value of Rs. 100	59,101.784	59.18	-	-
ICICI Prudential Liquid - Regular Plan - Daily Dividend - Face value of Rs. 100	-	-	56,095.012	56.13
UTI - Floating Rate Fund - STP - Regular Plan - Daily Dividend Reinvestment - Face value of Rs. 1,000	-	-	20,082.062	216.26
UTI Liquid Cash Plan- Institutional- Daily Dividend Reinvestment - Face value of Rs. 1,000	22,360.073	227.95	-	-
Current Investments (Unquoted)		**287.13**		272.39

Non-current Investments	Rs in Lakh As at March 31, 2016	Rs in Lakh As at March 31, 2015
Non-trade (Unquoted)		
Government securities in Philippines	31.63	7.26
Non Current Investments	**31.63**	7.26

9. Deferred tax assets / (liabilities) (net)

	Rs in Lakh As at March 31, 2016	Rs in Lakh As at March 31, 2015
Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	-
Others	6.93	7.25
	6.93	7.25
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	-
Provision for doubtful debts and advances	29.13	2.61
Others	6.83	(8.00)
	35.96	(5.39)
Net deferred tax assets/ (liabilities)	**29.03**	(12.64)

10. Loans and Advances

	Rs in Lakh Long term		Rs in Lakh Short-term	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
Unsecured, considered good				
Security deposits	-	-	9.93	8.84
Advances recoverable in cash or kind	-	-	384.23	326.26
	-	**-**	**394.16**	335.10
Other loans and advances				
Advance income-tax (net of provision for taxation)	2,022.14	2,559.52	-	-
MAT credit entitlement	-	44.18	-	-
Prepaid expenses	-	-	36.48	14.14
Balance with government authorities	810.42	804.20	40.02	273.85
Advances to staff and workers	-	-	55.44	52.08
	2,832.56	3,407.90	**131.94**	340.07
Total	**2,832.56**	3,407.90	**526.10**	675.17

11. Trade receivables

	Rs in Lakh Current	
	As at March 31, 2016	As at March 31, 2015
Outstanding for a period exceeding six months from the date		
they are due for payment		
Unsecured, considered good	1,572.59	2,166.14
Doubtful	233.61	271.89
	1,806.20	2,438.03
Provision for doubtful receivables	(233.61)	(271.89)
	1,572.59	2,166.14
Other receivables		
Secured, considered good	673.71	-
Unsecured, considered good	1,447.89	2,590.96
Doubtful	196.54	-
	2,318.14	2,590.96
Provision for doubtful receivables	(196.54)	-
	2,121.60	2,590.96
Total	**3,694.19**	4,757.10

12. Other assets

	Rs in Lakh Non-current		Rs in Lakh Current	
	As at March 31, 2016	As at March 31, 2015	**As at March 31, 2016**	As at March 31, 2015
Unsecured, considered good unless stated otherwise				
Unbilled revenue	-	-	1,161.82	981.87
Prepaid long term employee benefits (gratuity) (refer note 23)	20.95	42.05	-	-
Others (mainly includes appeal deposits, reimbursements receivable, etc)	-	-	234.97	440.52
Total	**20.95**	42.05	**1,396.79**	1,422.39

13. Cash and bank balances

	Rs in Lakh As at March 31, 2016	Rs in Lakh As at March 31, 2015
Cash and cash equivalents		
Balances with banks		
- on current accounts	1,631.76	869.13
Cash on hand	-	0.70
	1,631.76	869.83
Other bank balance#		
- on deposits with remaining maturity less than 12 months	0.30	0.27
	0.30	0.27
Total	**1,632.06**	870.10

Pertains to Rs 0.30 lakh (Previous year Rs 0.27 lakh) pledged as margin money deposit

14. Revenue from operations

	Rs in Lakh Year ended March 31, 2016	Rs in Lakh Year ended March 31, 2015
Sale of services	12,996.28	9,950.39
Other operating revenue		
Sale of scrap	162.14	158.53
Revenue from operations	**13,158.42**	10,108.92

The above includes revenue from construction contracts of Rs 9,029.28 lakh (Previous year Rs 6,951.07 lakh). Also refer note 22.

Details of sale of services

	Rs in Lakh Year ended March 31, 2016	Rs in Lakh Year ended March 31, 2015
Operations and maintenance	2,819.05	470.71
Supervision services	818.33	2,046.43
Erection and commission	9,029.28	6,951.07
Others	329.62	482.18
Total	**12,996.28**	9,950.39

15. Other Income

	Rs in Lakh Year ended March 31, 2016	Rs in Lakh Year ended March 31, 2015
Interest income		
- Bank deposits	3.38	28.14
- Others	140.72	1.94
Dividend income		
- Current investment	14.74	16.02
Rent income	61.32	1.80
Liabilities no longer required written back	44.78	5.52
Exchange differences (net)	262.08	37.06
Miscellaneous income	142.36	272.59
Total	**669.38**	363.07

16. Project bought out and components

	Rs in Lakh Year ended March 31, 2016	Rs in Lakh Year ended March 31, 2015
Steel and cement	531.18	5.34
Others	81.79	863.94
Total	**612.97**	869.28

17. Employee benefits expense

	Rs in Lakh Year ended March 31, 2016	Rs in Lakh Year ended March 31, 2015
Salaries, wages and bonus	2,678.66	1,593.98
Contribution to provident and other funds	112.33	132.90
Gratuity expense (refer note 23)	39.67	17.02
Staff welfare expenses	22.31	12.29
Total	**2,852.97**	1,756.19

18. Finance costs

	Rs in Lakh Year ended March 31, 2016	Rs in Lakh Year ended March 31, 2015
Interest expense	46.67	78.57
Total	**46.67**	78.57

19. Depreciation and amortization expense

	Rs in Lakh Year ended March 31, 2016	Rs in Lakh Year ended March 31, 2015
Depreciation on tangible assets	47.60	33.46
Total	**47.60**	33.46

20. Other expenses

	Rs in Lakh Year ended March 31, 2016	Rs in Lakh Year ended March 31, 2015
Consumption of stores and spare parts	21.65	8.90
Power and fuel	28.91	22.55
Freight and forwarding charges (net)	1.77	0.10
Contract labour charges	6,212.13	5,556.78
Site expenses	577.66	431.54
Advertisement and sales promotion	4.19	3.48
Rent (refer note 26 (a))	64.54	5.28
Rates and taxes	438.40	59.87
Insurance	34.97	59.16
Repairs and maintenance		
- Plant and machinery	1.26	3.50
- Others	2.30	7.09
Travelling and conveyance	256.15	267.54
Legal and professional fees	172.56	83.81
Director sitting fees	8.20	-
Payment to auditor (refer details below)	6.34	10.99
Bad debts/ advances written off	268.63	1.59
Provision for onerous contracts (refer note 28)	73.75	320.61
Provision for doubtful debts (net)	291.50	85.10
Loss on sale / discard of assets (net)	0.49	-
Miscellaneous expenses (includes printing, communication, postage, security expense, etc.)	104.55	68.72
Total	**8,569.95**	6,996.61

Payment to auditors

	Rs in Lakh Year ended March 31, 2016	Rs in Lakh Year ended March 31, 2015
As auditor :		
Audit fee	5.00	4.00
Tax audit fee	1.00	0.80
In other capacity :		
Taxation matters	-	5.00
Other services	0.31	1.05
Reimbursement of expenses	0.03	0.14
Total	**6.34**	10.99

Note: The above amounts do not include audit fee payable to branch auditors which is disclosed under legal and professional fees.

21. Contingent liabilities and capital commitments

a) Contingent liabilities

Particulars	Rs in Lakh Year ended March 31, 2016	Rs in Lakh Year ended March 31, 2015
Bank guarantees advance payments, performance and security deposits	1,729.07	4,310.49
Service tax (refer note i below)	86.41	2,422.40
Sales tax (refer note ii below)	115.28	299.95
Income Tax demand (refer note iii below) AY 2008-09,AY 2010-11 and AY 2011-12	312.72	79.99
Total	**2,243.48**	7,112.83

i. Disputed demands in respect of Service Tax Rs. 86.41 lakh (Previous year Rs. 2,422.40 lakh) for Service tax on customer advances and interest thereon.

ii. Tamil Nadu VAT Rs. Nil (Previous Year: Rs. 1.26 lakh) These liabilities are towards the Goods Detention / Compounding Notice received from Check Post Officer, Gumidipoondi, Tamilnadu due to wrong TIN mentioned on invoice. Hence office has issued demand notice

West Bengal Sales Tax Rs. 67.42 lakh (Previous Year: Rs. 67.42 lakh), these liabilities are towards the disputed amount principally on a/c of disallowance of labour charges claimed as exemption by the Company.

Andhra Pradesh VAT Rs. 43.03 lakh including penalty of Rs 21.52 lakh (Previous Year: VAT Rs. 218.78 lakh including penalty of Rs. 109.39 lakh.) These liabilities are towards the disallowance against our claim for exemption towards labour and against free of cost material received from a customer. Chhattisgarh VAT Rs. 4.83 lakh (Previous Year: Rs 12.49 lakh.) These liabilities are towards disputed amount principally on account of disallowance of labour charges claimed as exemption by the Company us and WCT TDS Certificate not considered.

iii. Based on favourable decisions in similar cases and legal opinion taken by the Company, discussions with tax advisors, etc., the Company believes that there is fair chance of decisions in its favour in respect of above and hence no provision is considered necessary against the same.

iii. Income tax demands comprise demand from the Indian tax authorities for payment of additional tax. The Company has also received a demand AY 2011-12 for which payment has already been made and rectification appeal has been filed with Tax Authorities. The Company is contesting the demands and the management, based on the opinion of its tax advisors, believes that its position will likely be upheld in the appeal process. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

b) Capital and other commitments

There are no estimated amounts of contracts remaining to be executed at the year end on capital account. Accordingly, disclosure for capital and other commitments has not been furnished (Previous year Rs. Nil).

22. Disclosure pursuant to Accounting Standard (AS) -7

	Rs in Lakh	Rs in Lakh
Particulars	**Year ended March 31, 2016**	Year ended March 31, 2015
Contract revenue recognised during the year	9,029.28	6,951.07
Aggregate amount of contract costs incurred and recognised profits (less recognised losses)	97,868.85	91,638.98
Customer advance outstanding for contract in progress	2,863.63	3,276.42
Retention money due from customers for contracts in progress.	568.11	622.18
Gross amount due from customers [disclosed as unbilled revenue (refer note 12)]	1,161.82	981.87
Gross amount due to customers [disclosed as unearned revenue (refer note 5)]	1,579.78	3,631.58

23. Gratuity

The Company operates a defined benefit plan viz. gratuity for its employees. Under the gratuity plan, every employee who has completed at least specified years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each completed year of service. The scheme is funded with an insurance Company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

	Rs in Lakh	Rs in Lakh
Particulars	**Year ended March 31, 2016**	Year ended March 31, 2015
Current service cost	40.12	18.47
Interest cost on benefit obligation	6.04	4.99
Expected return on plan assets	(10.48)	(8.92)
Net actuarial loss	3.99	2.48
Net benefit expense	39.67	17.02

Balance sheet

	Rs in Lakh	Rs in Lakh
Particulars	**Year ended March 31, 2016**	Year ended March 31, 2015
Present value of defined benefit obligation	115.54	83.36
Less: Fair value of plan assets	(136.49)	(125.41)
Plan assets	(20.95)	(42.05)

Changes in the present value of the defined benefit obligation are as follows:

	Rs in Lakh	Rs in Lakh
Particulars	**Year ended March 31, 2016**	Year ended March 31, 2015
Opening defined benefit obligation	82.39	68.55
Interest cost	6.04	4.99
Current service cost	40.12	18.47
Benefits paid	(13.68)	(11.30)
Actuarial losses on obligation	0.67	2.65
Closing defined benefit obligation	115.54	83.36

Changes in the fair value of plan assets are as follows:

	Rs in Lakh	Rs in Lakh
Particulars	**Year ended March 31, 2016**	Year ended March 31, 2015
Opening fair value of plan assets	125.41	97.54
Expected return	10.48	8.92
Actuarial gains	(3.32)	0.17
Contributions by employer	3.92	18.78
Benefits paid	-	-
Closing fair value of plan assets	**136.49**	125.41

The Company expects to contribute Rs. 4.00 lakh (Previous year: Rs 17.02 lakh) to the gratuity fund in the next year.

The major categories of plan assets as a percentage of the fair value of total Plan assets are as follow:

	Rs in Lakh	Rs in Lakh
Particulars	**Year ended March 31, 2016**	Year ended March 31, 2015
Investments with insurer	100%	100%

The principal assumptions used in determining gratuity for the Company's plan is shown below:

	Rs in Lakh	Rs in Lakh
Particulars	**Year ended March 31, 2016**	Year ended March 31, 2015
Discount rate	8% p.a.	8% p.a.
Expected rate of return on assets	8% p.a.	8% p.a.
Normal retirement age	60 years	60 years
Salary escalation rate	7% p.a.	7% p.a.
Mortality Table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Employee turnover	**7%**	7%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the interest rate prevailing in the market on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current year and previous four years are as follows:

Rs in Lakh

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	115.54	83.36	68.55	56.34	61.48
Plan assets	(136.49)	125.41	97.54	73.83	52.41
Surplus/ (Deficit)	(20.95)	42.05	28.99	17.50	(9.07)
Experience adjustments on plan liabilities	0.67	2.65	(3.53)	(22.35)	3.98
Experience adjustments on plan assets	(3.32)	0.17	0.13	(0.59)	(0.48)

24. Segment information

Primary segment

Based on the guiding principle given in the Accounting Standard-17 "Segment Reporting" the Company is operating in a single business segment, viz Energy.

Secondary segment

Secondary segments have been identified with reference to geographical location of external customers. Composition of secondary segments is as follows:

- India
- Outside India - represents branch office started by the company in Philippines, Zambia and Sri Lanka.

Sales revenue by geographical market	Year ended March 31, 2016 (Rs in Lakh)	Year ended March 31, 2015 (Rs in Lakh)
a. Within India	9,283.36	7,328.86
b. Outside India	3,875.06	2,780.06
Total	**13,158.42**	10,108.92

Assets and additions to tangible and intangible fixed assets by geographical area:

The following table shows the carrying amount of segment assets and addition to segment assets by geographical area in which assets are located:

Rs in Lakh

	Carrying amount of segment assets (other than tangible assets)		Addition to tangible assets	
	Year ended March 31, 2016	Year ended March 31, 2015	**Year ended March 31, 2016**	Year ended March 31, 2015
Within India	8,623.89	10,138.70	34.12	3.03
Outside India	2,117.90	1,612.91	0.99	-
Total	**10,741.79**	11,751.61	**35.11**	3.03

25. Related party disclosure

a. Names of related parties and related party relationship:

Related parties where control exists

Holding company: Thermax Limited

Ultimate holding company: ARA Trusteeship Holding Private Limited

Fellow subsidiary: Thermax Engineering Construction Company Limited (India)

Fellow joint venture subsidiary: Thermax SPX Energy Technologies Limited (India)

b. Transactions with related parties:

Particulars	Year ended March 31, 2016 (Rs in Lakh)	Year ended March 31, 2015 (Rs in Lakh)
Transactions during the year:		
Sale of product and services		
Thermax Limited	2,297.68	4,483.98
Purchase of material/services		
Thermax Limited	335.34	115.20
Thermax Engineering Construction Company Limited	0.07	3.51
Thermax SPX Energy Technologies Limited	-	16.20
Sale of assets		
Thermax Limited	0.28	-
Rent paid		
Thermax Limited	57.60	-
Rent income		
Thermax Limited	59.52	-
Reimbursement of expenses		
Thermax Limited	205.55	419.17
Balance as at the year-end:		
Trade receivables		
Thermax Limited	767.71	1,154.81
Trade payables		
Thermax Limited	439.69	831.53
Guarantee/ letter of comfort taken on behalf		
Thermax Limited	1,729.07	4,310.49

26. Leases

a. Operating lease: Company as lessee

The Company has taken building and certain equipment's on operating lease. The tenure of such leases is upto three years. Lease rentals are charged to the statement of profit and loss for the year. There are no sub-leases. The leases are renewable on mutually agreeable terms.

Particulars	Year ended March 31, 2016 (Rs in Lakh)	Year ended March 31, 2015 (Rs in Lakh)
Lease payments for the year	62.59	5.28
Future lease rentals for non-cancellable leases		
- Within one year	-	-
- After one year but not more than five years	-	-
- More than five years	-	-

b. Operating lease: Company as lessor

The Company has leased certain parts of its surplus office building. The tenure of such lease agreement is upto three years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

	Rs in Lakh	Rs in Lakh
Particulars	**Year ended March 31, 2016**	Year ended March 31, 2015
Lease received for the year	61.32	1.80
Future lease rentals for non-cancellable leases		
- Within one year	-	-
- After one year but not more than five years	-	-
- More than five years	-	-

27. Earnings Per Share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	Rs in Lakh	Rs in Lakh
Particulars	**Year ended March 31, 2016**	Year ended March 31, 2015
Net profit for calculation of basic and diluted EPS (Rs in Lakh)	899.08	368.92
Weighted average number of equity shares (nos)	90,00,000	90,00,000
Basic and diluted EPS (Rs.)	9.99	4.10
Nominal value of shares (Rs.)	10	10

28. Disclosure as required by AS - 29 (Contingent liabilities and provisions):

Particulars	**Provision for onerous contracts**	
	Year ended March 31, 2016	Year ended March 31, 2015
At the beginning of the year	320.61	-
Arising during the year	73.75	320.61
Utilised/ reversed during the year	131.99	-
At the end of the year	**262.37**	320.61
Current portion	262.37	320.61
Non-current portion	-	-

Provision for onerous contracts:

A provision for expected loss on construction contracts is recognized when it is probable that the contracts costs will exceed total contract revenue. For all other contracts loss order provisions are made when the unavoidable costs of meeting the obligation under the contract exceed the currently estimated economic benefits.

29. Derivative instruments and unhedged foreign currency exposure

Details of un-hedged foreign currency as at the reporting date:

	Rs in Lakh	Rs in Lakh
Particulars	**Year ended March 31, 2016**	Year ended March 31, 2015
Trade receivables and other current assets	844.95	937.58
Trade payables	760.73	861.20
Loans and advances	38.68	80.14
Cash and bank balances	1,234.23	796.41

30. Details of dues to micro and small enterprises as defined under The Micro, Small and Medium Enterprises Development (MSMED) Act 2006

	Rs in Lakh	Rs in Lakh
Particulars	**Year ended March 31, 2016**	Year ended March 31, 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	0.44	6.29
- Interest due thereon	0.03	0.03
The amount of interest paid by the Company in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	0.47	6.32
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

31. There are no imports during the year. Accordingly, disclosure for CIF value of imports has not been furnished. (Previous Year: Nil)

32. Earnings in foreign currency (on accrual basis)

Particulars	**Year ended March 31, 2016** (Rs in Lakh)	Year ended March 31, 2015 (Rs in Lakh)
Service Income	3,818.05	2,467.39
Sale of goods	56.99	146.98
Interest and miscellaneous income	31.55	0.23
Total	**3,906.59**	2,614.60

33. Expenditure in foreign currency (on accrual basis)

Particulars	**Year ended March 31, 2016** (Rs in Lakh)	Year ended March 31, 2015 (Rs in Lakh)
Travelling and conveyance	27.30	64.48
Foreign Branch office expenses (clubbed under respective accounts)	1,936.17	1,575.27
Total	**1,963.47**	1,639.75

34. Current tax for the year includes Rs. 796.05 lakh (Previous Year Rs. 367.13 lakh) tax paid/payable for foreign branches in accordance with local tax laws, on income from operations of the branch in that country.

35. Previous year's figures have been regrouped/ reclassified where necessary to conform to this year's classification.

For and on behalf of the board of directors of Thermax Instrumentation Limited

As per our report of even date

For S R B C & CO LLP	**For B. K. Khare & Co**	
ICAI Firm Regn. No.: 324982E/E300003	Firm Regn. No: 105102W	
Chartered Accountants	Chartered Accountants	
per Tridevlal Khandelwal	**per Naresh Kumar Kataria**	**B. C. Mahesh**
Partner	Partner	Director
Membership No.: 501160	Membership No.: 037825	DIN: 06631816
Amitabha Mukhopadhyay	**Vedhanarayanan K.S.**	**Sudhir Lale**
Director	Chief Financial Officer	Company Secretary
DIN: 01806781		
Place : Pune	Place : Pune	**M. L. Bindra**
Date : May 03, 2016	Date : May 03, 2016	Manager

THERMAX ONSITE ENERGY SOLUTIONS LIMITED

Board of Directors

Ishrat Mirza

Hemant Mohgaonkar

Amitabha Mukhopadhyay

M. S. Unnikrishnan

Sanjay Parande

Sundar Parthasarathy

Registered Office

Thermax House,
14, Mumbai – Pune Road, Wakdewadi,
Pune - 411003

Auditors

B. K. Khare & Co.
Chartered Accountants
Hotel Swaroop, 4th Floor,
Lane No. 10, Prabhat Road, Pune 411004

Key Managerial Personnel

Sriram Vishwanathan (Chief Executive Officer)

Ajit Sharma (Chief Financial Officer)

Shrinidhi Deopujari (Company Secretary)

Bankers

Corporation Bank

ICICI Bank

DIRECTORS' REPORT

Dear shareholder,

The Directors have pleasure in presenting the Seventh Annual Report of the company for the year ended March 31, 2016.

FINANCIAL RESULTS (Rs. lacs)

Particulars	**2015-16**	2014-2015
Total income	**5257.72**	4147.02
Profit before depreciation	**949.37**	644.99
Depreciation	**595.41**	483.60
Profit before tax	**353.96**	161.39
Provision for taxation (incl. deferred tax)	**135.03**	52.30
Profit after tax	**218.93**	109.09

STATE OF COMPANY'S AFFAIRS

During the year, the company earned a total income of Rs. 5257.72 lac as against Rs. 4147.02 lac in the previous year. Profit before tax stood at Rs.353.96 lac (previous year, Rs. 161.39 lac) and profit after tax was Rs. 218.93 lac (previous year Rs. 109.09 lac).

During the year, steam generation started at two new projects. The company successfully delivered green steam using agro-waste fuel at a dairy unit in Bihar and for an aromatic chemicals company in Maharashtra. Along with stabilized operations of plants commissioned during the previous year, these new plants were instrumental in generating incremental revenues and profitability for the company. During the financial year, the company has produced and supplied close to 2,18,000 ton steam and 10,600 Mn. Kcal of heat from the existing and new projects.

During the year, the company explored new business streams, namely sale of high quality agro-waste briquettes and water treatment service. In the coming year, the company is looking to develop these business streams into functioning business segments.

The subdued prices of global crude oil continues to affect fossil fuel replacement opportunities.

MATERIAL CHANGES AFFECTNG FINANCIAL POSITION OF THE COMPANY

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the company.

HEALTH AND SAFETY

The company continues to invest in and improve upon its safety management program. For the year, the company had set a Lost Time Injury per million man hours worked or LTIFR target of 0.2 (maximum). With the initiatives taken during the year, the company surpassed this target by achieving an LTIFR of 0.0 for the year. It also completed 322 LTI free days & 0.40 Million safe man hours in the year. The company continues to track these and other safety indices closely and endeavors to set and achieve higher benchmarks in terms of safety in the years to come. Some of the initiatives within the Safety Management Program which helped the company to achieve these safety indices are –

- Basic safety measures implementation and it's monitoring.
- Safety through engineering controls – improving inherent safety measures
- Monitoring and review of proactive/reactive safety performance indicators
- Safety motivation & culture development programs

The company is confident that these initiatives will inculcate the highest standards of behavioral safety at every site and help achieve and surpass existing and future safety benchmarks.

DIVIDEND

With a view to conserve funds for future expansion of the business, the Directors do not recommend any dividend for the year.

AMOUNT PROPOSED TO BE CARRIED TO RESERVES

The company does not propose to carry any amount to reserves.

SHARE CAPITAL

The Paid up Share Capital of the Company is Rs. 1,865 lac. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.

DEPOSITS

The company has not accepted any deposits under Chapter V of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the company did not give any loan or made an investment pursuant to the provisions of Section 186 of the Companies Act, 2013.

BUSINESS RISK MANAGEMENT

The company continues to actively monitor and strengthen its risk management framework. With the drop in global crude oil prices and corresponding drop in prices of derivative oils, the cost arbitrage between renewable fuel & fossil fuel based energy has come down. The company has taken steps to mitigate the risks associated with this drop in cost arbitrage.

The company has also evaluated the risk related to getting into new business lines, namely water & agro-waste briquettes and the risk management framework has been suitably extended.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal controls are reviewed by Internal Audit Department of the holding company on a periodical basis. All significant and material observations emerging out of Internal Audit are regularly reported to the Audit Committee of the Board and follow-up measures are taken.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The company being a wholly owned subsidiary of Thermax Limited has decided to adopt the policies of the holding company on criteria and determination of qualification of Independent Directors and KMPs. The Directors do not receive any remuneration except independent directors who are entitled to sitting fees as approved by the Board for each Board/Committee meeting attended.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the company's Articles of Association, M.S. Unnikrishnan, Director retires by rotation and being eligible offers, himself for re-appointment.

DECLARATION BY INDEPENDENT DIRECTORS

The company has received declarations from the independent directors confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

BOARD MEETINGS

The Board met four times on April 28, 2015, July 21, 2015, October 19, 2015 and January 19, 2016 during the year. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts on a going concern basis; and

(e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMMITTEES OF THE BOARD

The Board has constituted following committees viz. Audit Committee, Nomination and Remuneration Committee.

AUDIT COMMITTEE

The Committee met four times during the year on April 28, 2015, July 21, 2015, October 19, 2015 and January 19, 2016. The Committee comprises 3 (Three) members, all being non-executive Directors namely Sanjay Parande (Chairman), Sundar Parthasarathy and Amitabha Mukhopadhyay.

NOMINATION AND REMUNERATION COMMITTEE

The Committee met once during the year on September 23, 2015. The Committee comprises three members, all being non-executive Directors namely Sundar Parthasarathy (Chairman), Sanjay Parande and Hemant Mohgaonkar.

RELATED PARTY TRANSACTIONS

All related party transactions (RPTs) that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the company at large. Therefore, requirements of disclosure of RPTs in AOC-2 are not attracted.

During the year, as required under section 177 of the Companies Act, 2013 RPTs were placed before the Audit Committee for approval. A statement showing the disclosure of transactions with related parties as required under Accounting Standard 18 is set out separately in the Financial Statements.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9, as required under Section 92, of the Companies Act, 2013, is annexed herewith as "Annexure 1" and forms part of this report.

CONSERVATION OF ENERGY

The company is in the business of providing utilities generated through renewable energy sources to its clients. This activity directly helps its clients to reduce the Carbon Foot print.

TECHNOLOGICAL ABSORPTION

There was no technology acquisition and absorption during the year under review.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pertaining to foreign exchange earnings and outgo, under Section 134 (3) (m) of the Companies Act, 2013 for the year is as follows:

	(Rs. in lac)
Foreign currency earnings	NIL
Foreign currency outgo	9.64

PARTICULARS OF EMPLOYEES

None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed under the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the company and its future operations.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has in place an Anti-Sexual Harassment Policy in line with the Thermax Group. The company has not received any complaints regarding sexual harassment during the year.

AUDITORS

M/s. B. K. Khare & Co., Chartered Accountants, retire as Statutory Auditors at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the support extended by the company's customers, vendors and bankers during the year and look forward to their continued support in the future as well.

For and on behalf of the Board of Directors of
Thermax Onsite Energy Solutions Limited

Place: Pune	**Amitabha Mukhopadhyay**	**Hemant Mohgaonkar**
Date: April 29, 2016	Director	Director
	DIN: 1806781	DIN: 01308831

ANNEXURE 1

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

I.	CIN	:	U40109PN2009PLC134659
II.	Registration Date	:	14.09.2009
III.	Name of the Company	:	Thermax Onsite Energy Solutions Limited
IV.	Category / Sub-Category of the Company	:	Public Company / Limited by Shares
V.	Address of the Registered office and contact details	:	Thermax House, 14, Mumbai – Pune Road, Wakdewadi, Pune- 411003
VI.	Whether listed company	:	No
VII.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Steam and hot water supply	35301	90
2	Other professional, scientific and technical activities	74909	10

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the company	CIN/GLN	Holding /Subsidiary/ Associates	% of Shares held	Applicable Section
1	Thermax Limited D-13, M.I.D.C. Industrial Area, R.D. Aga Road, Chinchwad, Pune - 411 019	L29299MH1980PLC022787	Holding	100	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	%of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govnt(s)	-	-	-	-	-	-	-	-	-
c) State Govnt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	18649994	18649994	100	-	18649994	18649994	100	0
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	**-**	**18649994**	**18649994**	**100**	**-**	**18649994**	**18649994**	**100**	**0**
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	%of Total Shares	
Total share holding of Promoter (A)= (A)(1)+(A) (2)	**-**	**18649994**	**18649994**	**100**	**-**	**18649994**	**18649994**	**100**	**0**
B. Public Shareholding									
1. Institution									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt									
d) State Govt(s)	---NIL---								
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Any other									
Sub-total(B)(1):-	-	-	-	-	-	-	-	-	-
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	---NIL---								
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	6	6	0	-	6	6	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
- Directors Relative									
- Trusts									
- Foreign Bodies Corporate	---NIL---								
- Foreign Bodies-DR									
- Non Resident Indian									
- HUF									
- Clearing Members									
Sub-total(B)(2):-	**-**	**6**	**6**	**0**	**-**	**6**	**6**	**0**	**0**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**-**	**6**	**6**	**0**	**-**	**6**	**6**	**0**	**0**
C) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**-**	**18650000**	**18650000**	**100**	**-**	**18650000**	**18650000**	**100**	**0**

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholding at the end of the year (As on 31-03-2016)			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1	Thermax Limited	18649994	100	NIL	18649994	100	NIL	NIL
	TOTAL	**18649994**	**100**	**NIL**	**18649994**	**100**	**NIL**	**NIL**

iii) Change in Promoters' Shareholding: NIL

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)		Shareholding at the end of the year (As on 31-03-2016)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	-------------------------------------NIL-------------------------------------			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):NIL

Sl. No.	Name of the shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the company				No. of shares	% of total shares of the company
-------------------------------------NIL-------------------------------------								

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the company				No. of shares	% of total shares of the company
1	M. S. Unnikrishnan jointly with Thermax Limited	1	0	-	-	-	1	0
2	Ishrat Hussain Mirza jointly with Thermax Limited	1	0	-	-	-	1	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

Amount in Rs. Lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2015)				
i) Principal Amount	1400.00	-	-	1400.00
ii) Interest due but not paid	-	--	-	-
iii) Interest accrued but not due	0.88	-	-	0.88
Total (i+ii+iii)	**1400.88**	**-**	**-**	**1400.88**
Change in indebtedness during the financial year		-	-	
Addition	-	-	-	-
Reduction	280.01	-	-	280.01
Net Change	**280.01**	**-**	**-**	**280.01**
Indebtedness at the end of the financial year (31.03.2016)		-	-	
i) Principal Amount	1119.99	-	-	1119.99
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.68	-	-	0.68
Total (i+ii+iii)	**1120.67**	**-**	**-**	**1120.67**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Total Amount
1	Gross salary	
	(a) Salary as per provisions containedin section 17(1) of the Income-tax Act, 1961	NA
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act,1961	
2	Stock Option	
3	Sweat Equity	
4	Commission- as % of profit - others, specify…	
5	Others, please specify (Retrial Benefits)	
	Total(A)	
	Ceiling as per the Act	

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount Amount in Rs. lac
1.	Independent Directors	Sanjay Parande	Sundar Parthasarathy	-	-	
	Fee for attending board / committee meetings	3.10	3.10	-	-	6.20
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total(1)	**3.10**	**3.10**			**6.20**
2.	Other Non-Executive Directors Directors	Amitabha Mukhopadhyay	Hemant Mohgaonkar	M. S. Unnikrishnan	Ishrat Mirza	
	Fee for attending board /					
	Committee meetings					
	Commission					
	Others, please specify					
	Rent for Premises	--NIL---				
	Security Deposit for Lease Premises					
	Total(2)					
	Total(B)=(1+2)					
	Total Managerial (A+B) Remuneration					
	Over all Ceiling as per the Act					

C. Remuneration to key managerial personnel other than MD/Manager/Whole Time Director

Amount in Rs Lacs.

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		Chief Executive Officer (Sriram Vishwanathan)	Company Secretary (Shrinidhi Deopujari)	Chief Financial Officer (Ajit Sharma)	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	32.88	5.52	14.56	52.96
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	0.77	0.11	-	0.88
	(c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity				
4.	Commission				
	- as% of profit				
	- Others, specify				
5.	Others, please specify (Retrial Benefits)	-	-	-	-
	Total	**33.65**	**5.63**	**14.56**	**53.84**

VII. Penalties /Punishment/ compounding of offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any (give Details)
a) Company					
Penalty					
Punishment					
Compounding					
b) Directors					
Penalty	---NIL---				
Punishment					
Compounding					
c) Other Officers in Default					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors of Thermax Onsite Energy Solutions Limited

Place: Pune
Date: April 29, 2016

Amitabha Mukhopadhyay
Director
DIN: 1806781

Hemant Mohgaonkar
Director
DIN: 01308831

Independent Auditor's Report

To the Members of Thermax Onsite Energy Solutions Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Thermax Onsite Energy Solutions Limited** ("the Company"), which comprise the balance sheet as at March 31, 2016, and the statements of profit and loss and cash flow for the period from April 1, 2015 to March 31, 2016, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the period from April 1, 2015 to March 31, 2016.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143(3) of the Act, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account;

    d. In our opinion, the aforesaid standalone financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

    e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.

    f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure II of this report.

    g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us:

       i. The Company does not have any pending litigations.

       ii. The Company did not have any long-term contracts including derivate contracts for which there were any material foreseeable losses.

       iii. No amounts were required to be transferred to the Investor Education and Protection Fund by the Company.

For B.K.Khare & Co.
Chartered Accountants
Firm's Registration Number 105102W

Naresh Kumar Kataria
Partner
Membership Number : 037825

Place: Pune,
Date: 29th April, 2016

ANNEXURE I TO THE AUDITORS' REPORT

Referred to in paragraph 9 of our report of even date on the standalone financial statements of **Thermax Onsite Energy Solutions Limited** for the year ended March 31, 2016

I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.

(c) The Company does not hold immovable properties; therefore, clause 3(i) (c) of the Order is not applicable to the Company.

II. The Company is in the business of production and sale of steam. The Company does not have inventory of raw material, work in progress and finished goods. The inventory of fuel has been physically verified by the management during the year. In our opinion the frequency of verification is reasonable.

III. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

IV. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

V. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits to which the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed there under to the extent notified, are applicable. Therefore, Clause 3(v) of the Order is not applicable to the company.

VI. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the products/services of the Company.

VII. (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. None of these dues were outstanding as at the year end, for a period of more than six months from the date they became payable.

(b) There are no disputed dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which has not been deposited with the relevant authority.

VIII. On the basis of examination of relevant records and according to the information and explanations given to us, the Company has not borrowed any money from financial institution or bank or debenture holders during the year. Therefore, Clause 3(viii) of the Order is not applicable to the company.

IX. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer (including debt instruments) and term loans during the year hence; reporting under clause (ix) is not applicable to the Company and hence not commented upon.

X. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

XI. On the basis of examination of relevant records and according to the information and explanations given to us, the Company has not paid or provided any managerial remuneration. Therefore, Clause 3(xi) of the Order is not applicable to the company.

XII. The Company is not a 'Nidhi Company'; therefore, clause 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

XIII. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

XIV. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

XV. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

XVI. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For B.K.Khare & Co.
Chartered Accountants
Firm's Registration Number 105102W

Naresh Kumar Kataria
Partner
Membership Number : 037825

Place: Pune,
Date: 29th April, 2016

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF THERMAX ONSITE ENERGY SOLUTIONS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Thermax Onsite Energy Solutions Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the period from April 1, 2015 to March 31, 2016.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("ICAI") and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For B.K.Khare & Co.
Chartered Accountants
Firm's Registration Number 105102W

Naresh Kumar Kataria
Partner
Membership Number : 037825

Place: Pune,
Date: 29th April, 2016

Balance Sheet as at March 31, 2016

Particulars	Note No	Rs Lacs As at March 31, 2016	Rs Lacs As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	**1,865.00**	1,865.00
Reserves and surplus	4	**812.71**	593.78
		2,677.71	2,458.78
Non-current liabilities			
Long-term borrowings	5	**839.99**	1,120.00
Deferred tax liabilities (Net)	8	**311.26**	247.99
Other long-term liabilities	7	**520.51**	405.50
Long-term provisions	6	**375.75**	200.75
		2,047.51	1,974.24
Current liabilities			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	7	**-**	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	7	**400.34**	338.65
Other current liabilities	7	**320.45**	338.59
Short-term provisions	6	**76.94**	23.25
		797.73	700.49
Total		**5,522.95**	5,133.51
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	**4,201.14**	3,552.65
Intangible assets	10	**0.17**	0.64
Capital work-in-progress		**-**	405.85
Loans and advances	11	**224.33**	187.62
		4,425.64	4,146.76
Current assets			
Inventories	13	**36.72**	106.52
Trade receivables	12	**355.18**	290.16
Cash and bank balance	14	**449.15**	433.73
Loans and advances	11	**254.03**	153.97
Other current assets	15	**2.23**	2.37
		1,097.31	986.75
Total		**5,522.95**	5,133.51

Summary of significant accounting policies 24
The notes are an integral part of these financial statements.

As per our report of even date

For B. K. Khare & Co.	**Amitabha Mukhopadhyay**	**Sanjay Parande**
Chartered Accountants	Director	Director
Firm Registration No. 105102W		
Naresh Kumar Kataria	**Sriram Vishwanathan**	**Ajit Sharma**
Partner	Chief Executive Officer	Chief Financial Officer
Membership No.037825		
Place : Pune	Place : Pune	**Shrinidhi Deopujari**
Date : 29th April, 2016	Date : 29th April, 2016	Company Secretary

Profit and loss statement for the year ended March 31, 2016

Particulars	Note No	Rs Lacs Year ended March 31, 2016	Rs Lacs Year ended March 31, 2015
INCOME			
Revenues from operations (gross)		**5,226.57**	4,108.37
Less : excise duty			
Revenues from operations (net)	16	**5,226.57**	4,108.37
Other income	17	**31.15**	38.65
Total income (I)		**5,257.72**	4,147.02
Expenses :			
Cost of raw materials consumed	18	**2,769.96**	2,369.78
Purchases of traded goods	19	**221.28**	-
Employee benefits expense	20	**330.33**	305.04
Finance costs	21	**142.92**	171.62
Depreciation and amortisation expense	22	**595.41**	483.60
Other expenses	23	**843.84**	655.59
Total expenses (II)		**4,903.74**	**3,985.63**
Profit before tax (1-II)		**353.98**	161.39
Tax Expense :			
Current tax		**(113.50)**	(56.60)
MAT Credit Entitlement		**41.70**	56.60
Deferred tax asset/(liability)	8	**(63.26)**	(52.30)
Total tax expense		**135.05**	52.30
Profit after tax (V- VI)		**218.93**	109.09
Basic and diluted earnings per equity share [nominal value INR 10/- (Previous year: INR 10/-)]		**1.17**	0.58
Computed on the basis of total profit for the year		**1.17**	0.58

Summary of significant accounting policies 24
The accompanying notes are an integral part of these financial statements.

As per our report of even date

For B. K. Khare & Co.	**Amitabha Mukhopadhyay**	**Sanjay Parande**
Chartered Accountants	Director	Director
Firm Registration No. 105102W		
Naresh Kumar Kataria	**Sriram Vishwanathan**	**Ajit Sharma**
Partner	Chief Executive Officer	Chief Financial Officer
Membership No.037825		
Place : Pune	Place : Pune	**Shrinidhi Deopujari**
Date : 29th April, 2016	Date : 29th April, 2016	Company Secretary

Notes to Financial Statements
(All amounts in INR Lakh, unless otherwise stated)

1. Corporate information

Thermax Onsite Energy Solutions Limited (the "Company") is 100% subsidiary of Thermax Limited a public limited company domiciled in India. The Company is engaged in the supply of utilities like steam, heat on build, own and operate basis. The Company currently cater to domestic market.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with notified accounting standards referred to in Section 133 of the Companies Act, 2013read with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standard) Amendment Rules, 2016. The financial statements have been prepared on accrual basis under the historical cost convention.

All Assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of products and services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

3. Share capital

	March 31, 2016	March 31, 2015
Authorized shares (Nos)		
2,00,00,000 (Previous year 2,00,00,000) equity shares of 10/- each.	2,000.00	2,000.00
	2,000.00	2,000.00
Issued, subscribed and fully paid share capital (Nos)		
1,86,50,000 (Previous year 1,86,50,000) equity shares of 10/- each.	1,865.00	1,865.00
Total issued, subscribed and fully paid-up share capital	**1,865.00**	1,865.00

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at March 31, 2016		As at March 31, 2015	
	No. of shares	**Amount**	No. of shares	Amount
Shares outstanding at the beginning of the year	18,650,000	1,865.00	18,650,000	1,865.00
Shares outstanding at the end of the year	18,650,000	1,865.00	18,650,000	1,865.00

(b)Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Equity shares held by holding company

	March 31, 2016	March 31, 2015
1,86,50,000 (Previous year: 1,86,50,000) equity shares of INR 10/- each fully paid	1,865.00	1,865.00
Total	**1,865.00**	1,865.00

(d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of shareholder	**As at March 31, 2016**		As at March 31, 2015	
	%	No. of shares	%	No. of shares
Thermax Limited	100.00	18,650,000	100.00	18,650,000

4. Reserves and surplus

	March 31, 2016	March 31, 2015
Surplus in Statement of profit and loss		
Balance as per last financial statement	593.78	484.69
Add: Profit for the year	218.93	109.09
Net surplus in the Statement of profit and loss	**812.71**	593.78
Total reserves and surplus	**812.71**	593.78

5. Long-term borrowings (note 31)

	Non-current portion		**Current maturities**	
	March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015
Term loans				
Secured loan from Non Banking Financial Company	839.99	1,120.00	280.00	280.00
Total	**839.99**	1,120.00	**280.00**	280.00
The above amount includes				
Amount disclosed under the head "Other current liabilities"	-	-	280.00	280.00
Net amount	**839.99**	1,120.00	**280.00**	280.00

6. Provisions

	Long term		**Short-term**	
	March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015
Provision for employee benefits				
Provision for Gratuity	-	-	14.41	-
Provision for Leave Encashment	-	-	20.99	-
Provision for Short Term Incentive Plan			41.54	23.25
	-	-	**76.94**	23.25
Other provisions				
Provision for Maintenance	375.75	200.75		
Total	**375.75**	200.75	**76.94**	23.25

Notes to Financial Statements
(All amounts in INR Lakh, unless otherwise stated)

7. Trade Payables and other liabilities

	Long term		Short-term	
	March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015
a. total outstanding dues of micro enterprises and small enterprises (note 29 for details of dues to micro and small enterprises)	-	-	-	-
b. total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	400.34	338.65
Acceptances	-	-	-	-
	-	-	400.34	338.65
Current maturities of long-tem borrowings (note 5)	-	-	280.00	280.00
Customer advances	520.51	405.50	-	-
Statutory dues and other liabilities	-	-	40.45	58.59
	520.51	405.50	320.45	338.59
Total	**520.51**	405.50	**720.79**	677.24

8. Deferred Tax Assets / Liabilities (net)

	March 31, 2016	March 31, 2015
Deferred tax liabilities		
Difference in WPV as per Books and Tax	443.32	423.60
	443.32	423.60
Deferred tax assets		
Provision for Maintenance	122.99	65.13
Expenses towards issuance of Shares	1.66	2.09
Provision for Doubtful Debts	5.22	3.27
Unabsorbed Depreciation	-	105.12
Provision for Leave Encashment	2.19	-
	132.06	175.61
	(311.26)	(247.99)

9. Tangible assets

	Plant and equipment	Office Equipments	Computers	Total
Cost or valuation				
At 01 April 2014	**756.09**	**7.69**	**10.06**	**773.84**
Additions	3,389.43	0.99	2.25	3,392.67
Disposals		(7.13)	-	(7.13)
At 31 March 2015	**4,145.52**	**1.55**	**12.31**	**4,159.38**
Additions	1,256.40	-	4.55	1,260.95
Disposals/Adjustments	(20.81)	-	-	(20.81)
At 31 March 2016	**5,381.11**	**1.55**	**16.86**	**5,399.52**
-				
Depreciation				-
At 01 April 2014	**117.02**	**0.48**	**6.83**	**124.33**
Charge for the year	481.07	0.41	1.65	483.13
Disposals		(0.73)	-	(0.73)
At 31 March 2015	**598.09**	**0.16**	**8.48**	**606.73**
Charge for the year	588.84	0.10	2.71	591.65
Disposals/Adjustments	-	-	-	-
At 31 March 2016	**1,186.93**	**0.26**	**11.19**	**1,198.38**
Net Block				
At 31 March 2015	**3,547.43**	**1.39**	**3.83**	**3,552.65**
At 31 March 2016	**4,194.18**	**1.29**	**5.67**	**4,201.14**

10. Intangible Assets

	Computer software	Total
Gross block		
At 01 April 2014	**1.40**	**1.40**
Additions		-
Disposals	-	-
At 31 March 2015	**1.40**	**1.40**
Additions	-	-
Disposals	-	-
At 31 March 2016	**1.40**	**1.40**
Amortization		
At 01 April 2014	**0.29**	**0.29**
Charge for the year	0.47	0.47
Disposals	-	-
At 31 March 2015	**0.76**	**0.76**
Charge for the year	0.47	0.47
Disposals	-	-
At 31 March 2016	**1.23**	**1.23**
Net Block		
At 31 March 2015	**0.64**	**0.64**
At 31 March 2016	**0.17**	**0.17**

11. Loans and Advances

	Long term		Short-term	
	March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015
Unsecured, considered good				
Capital advances	-	-	157.47	12.20
Security deposits	-	-	1.06	0.61
Advances recoverable in cash or kind	-	-	50.66	99.95
	-	-	**209.19**	112.76
Other loans and advances				
Advance income-tax (net of provision for taxation)	34.47	39.50	-	-
MAT Credit Entitlement	189.86	148.12	-	-
Sales tax recoverable	-	-	42.35	41.21
Advances to staff and workers	-	-	2.49	-
	224.33	187.62	**44.84**	41.21
Total	**224.33**	187.62	**254.03**	153.97

12. Trade receivable

	Non-current		Current	
	March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
Doubtful	-	-	25.87	10.07
	-	-	**25.87**	10.07
Less: Provision for doubtful receivables	-	-	**(25.87)**	(10.07)

Notes to Financial Statements
(All amounts in INR Lakh, unless otherwise stated)

	Non-current		Current	
	March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015
Other receivables				
Secured, considered good	-	-	355.18	290.16
Unsecured, considered good				
Doubtful	-	-		
	-	-	**355.18**	290.16
Less: Provision for doubtful receivables	-	-	-	-
	-	-	**355.18**	290.16

13. Inventories (valued at lower of cost and net realizable value)

	March 31, 2016	March 31, 2015
Raw materials (note 24 (g))	36.72	106.52
Total	**36.72**	106.52

14. Cash and bank balance

Cash and cash equivalents	**Non-current**		**Current**	
Balances with banks	**March 31, 2016**	March 31, 2015	**March 31, 2016**	March 31, 2015
- on current accounts	-	-	149.15	83.73
- on deposits with original maturity of less than three months	-	-	300.00	350.00
Cheques, drafts on hand	-	-	-	-
Total	-	-	**449.15**	433.73

15. Other assets

	Non-current		**Current**	
	March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015
Unsecured, considered good unless stated otherwise				
Interest accrued on fixed deposits	-	-	2.23	2.37
Total	-	-	**2.23**	2.37

16. Revenue from operations

	March 31, 2016	March 31, 2015
Sale of products and services		
Sale of utilities viz. Steam, Heat and Briquettes	4,641.21	3,515.52
Sale of services	537.76	523.87
Other operating revenues		
Exchange fluctuation gain	-	0.01
Miscellaneous income	47.60	68.97
Total	**47.60**	68.98
Revenue from operations	**5,226.57**	4,108.37

Details of sale of products

	March 31, 2016	March 31, 2015
Sale of utilities viz. Steam, Heat and Briquettes	4,641.21	3,515.52
	4,641.21	3,515.52

Details of sale of services

	March 31, 2016	March 31, 2015
Operations and maintenance	537.76	523.87
	537.76	523.87

17. Other Income

	March 31, 2016	March 31, 2015
Interest income		
Bank deposits	30.46	38.65
Others	0.69	-
	31.15	38.65

18. Cost of raw material consumed

	March 31, 2016	March 31, 2015
Fuel Inventory at the beginning of the year	106.52	43.68
Add: Purchases	2,700.16	2,432.62
	2,806.68	2,476.30
Fuel Inventory at the end of the year	36.72	106.52
	2,769.96	2,369.78

Details of raw material consumed

	March 31, 2016	March 31, 2015
Fuel i.e. Biomass Briquettes, Wood Chips and other Agro waste	2,769.96	2,369.78
	2,769.96	2,369.78

19. Details of purchase of traded goods

	March 31, 2016	March 31, 2015
Biomass Briquettes	221.28	-
	221.28	-

20. Employee benefits expense

	March 31, 2016	March 31, 2015
Salaries and wages	310.39	294.55
Contribution to provident and other funds	19.94	10.49
	330.33	305.04

21. Finance costs

	March 31, 2016	March 31, 2015
Interest expense	142.92	171.62
	142.92	171.62

Notes to Financial Statements
(All amounts in INR Lakh, unless otherwise stated)

22. Depreciation and amortization expense

	March 31, 2016	March 31, 2015
Depreciation of tangible assets	594.94	483.13
Amortization of intangible assets	0.47	0.47
	595.41	483.60

23. Other expenses

	March 31, 2016	March 31, 2015
Site Exp & Contract Labour Charges	527.61	371.02
Advertisement and sales promotion	6.94	1.64
Rent	4.22	1.12
Insurance	11.69	7.64
Repairs and maintenance		
Others	1.75	2.05
Traveling and conveyance	31.80	22.77
Legal and professional fees	16.65	12.41
Director sitting fees	6.99	-
Payment to auditor (refer details below)	3.29	4.26
Liquidated damages	-	5.45
Provision for bad and doubtful debts (net)	15.80	10.07
Loss on sale / discard of assets (net)	11.69	18.72
Communication	6.07	3.93
Bank Charges	0.66	0.56
Printing and Stationery	1.02	1.68
Recruitment Expenses	2.20	1.91
Provision for Maintenance	186.04	154.86
Service Tax not recoverable	0.03	33.11
Miscellaneous expenses	9.38	2.39
(includes expense sharing for Security, Water, Electricity, Garden etc.)	843.84	655.59
Less: Expenses capitalized	-	-
	843.84	655.59

Payment to auditors

	March 31, 2016	March 31, 2015
As auditor :		
Audit fee	2.25	2.25
Tax audit fee	0.75	0.75
Limited review		
In other capacity :		
Taxation matters		
Other services	0.25	1.10
Reimbursement of expenses	0.04	0.16
	3.29	4.26

24. Summary of significant accounting policies

a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reported period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Plant, Property and Equipment

Plant, property and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the Statement of profit and loss.

c) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The Company has used the following rates to provide depreciation on its plant, property and equipment.

Asset category	Company's estimate of useful life (years)
Plant and equipment	7.5 years
Office equipment	15 years
Computers and data processing units	4 to 6 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) Intangible assets

Intangible assets are amortised over a period not exceeding 60 months.

e) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

f) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

In In determining assets value in use Company prepares detailed budgets and forecast calculations for each cash- generating units to which the individual assets are allocated.

g) Inventories

Raw materials, are valued at lower of cost and estimated net realisable value. Cost of raw materials, is arrived at on the basis of weighted average cost.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Liability on account of the Company's obligation under the employees' superannuation fund, a defined contribution plan, is charged to the statement of profit and loss on the basis of the plan's liability to contribute.

The Company operates a defined benefit plan, viz. gratuity. The cost of providing benefit under this plan is determined on the basis of actuarial valuation at each year end using the projected unit credit method. Actuarial gains and losses for defined benefit plans is recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet as it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Liability on account of the Company's obligation under the employee's medical reimbursement scheme and leave travel assistance is charged to the statement of profit and loss at the undiscounted amount of such liability.

Liabilities on account of the Company's obligations under statutory regulations, agreement with trade unions and employees' short term incentive plan, as applicable, are charged to the statement of profit and loss at the undiscounted amount of each liability.

i) Provisions

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimates can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

The Company is providing for maintenance of its assets lying at various project sites. Such provision has been shown as long-term provisions due to the fact that it shall be as contractual obligation of the Company for keeping its assets all time working throughout its project life.

j) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of good (steam/ heat) is recognised on delivery thereof to the customer.

Income from services

Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

l) Borrowing costs

Borrowing costs include interest and amortisation of ancillary costs inconnection with the arrangement of borrowings. Borrowing costs attributable to the acquisition, construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

m) Foreign currency translation

i. Initial recognition

Transactions in foreign currencies are recorded in reporting currency by applying to the foreign currency amount the exchange rates between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

n) Income taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961 enacted in India and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years.

Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences

Notes to Financial Statements
(All amounts in INR Lakh, unless otherwise stated)

only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

o) Segment reporting

Identification of segments

Based on the guiding principle given in the Accounting Standard-17 “Segment Reporting” issued by the Institute of Chartered Accountants of India, the company is operating in a single business segment viz. Energy.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

p) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

25. Contingent liability and capital commitments

a) Capital and other commitments

a. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs.488.35 Lacs (Previous year Rs. 690.90 Lacs).

26. Gratuity

The Company operates a defined benefit plan viz. gratuity for its employees. Under the gratuity plan, every employee who has completed at least specified years of service gets a gratuity on departure @15 days (minimum) of the last drawn salary for each year of service. The scheme is funded with an insurance Company in the form of qualifying insurance policy.

On 1st of July 2015, 19 employees from Thermax Limited (TL) were transferred to the Company. The Company also acquired the corresponding Gratuity Actuarial Liability of Rs. 2,755,382/- pertaining to these employees. In lieu of this liability the Company has received Rs. 3,130,736/- as a reimbursement from Thermax Ltd on 31st March 2016. From this reimbursement, the Company has made a contribution of Rs 1,607,144/- to their present Gratuity fund and will make the remaining contribution in the coming financial year 15-16.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

Particulars	**March 31, 2016**
Current service cost	2.04
Acquisition (Gain) / Loss	11.48
Interest cost on benefit obligation	1.65
Expected return on plan assets	(1.15)
Net actuarial (gain)/loss	1.91
Net benefit expense	15.93
Actual (loss)/return on plan assets	-

Balance sheet

Particulars	**March 31, 2016**
Present value of defined benefit obligation	31.99
Less: Fair value of plan assets	17.58
Plan liability	**14.41**

Changes in the present value of the defined benefit obligation are as follows:

Particulars	**March 31, 2016**
Opening defined benefit obligation	-
Acquisition adjustment	27.55
Interest cost	1.65
Current service cost	2.04
Benefits paid	-
Actuarial (gains)/losses on obligation	0.75
Closing defined benefit obligation	**31.99**

Changes in the fair value of plan assets are as follows:

Particulars	**March 31, 2016**
Opening fair value of plan assets	1.52
Expected return	1.15
Actuarial gains/(losses)	(1.16)
Contributions by employer	16.07
Benefits paid	-
Closing fair value of plan assets	**17.58**

The Company expects to contribute Rs.1 Lac to the gratuity fund in the next year. (Previous year: Rs 1.65 Lacs)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	**March 31, 2016**
Investments with insurer	100%

The principal assumptions used in determining gratuity for the Company’s plan is shown below:

Particulars	**March 31, 2016**
Discount rate	8%
Expected rate of return on assets	8.5%
Normal retirement age	60 Yrs
Salary escalation rate	7%
Mortality Table	LIC 2006-08 ULTIMATE
Employee turnover	
Age 21-30	5.00%
Age 31-34	5.00%
Age 35-44	5.00%
Age 45-50	5.00%
Age 51-54	5.00%
Age 55 & above	5.00%

Notes to Financial Statements
(All amounts in INR Lakh, unless otherwise stated)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the interest rate prevailing in the market on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current year are as follows:

Particulars	**March 31, 2016**
Defined benefit obligation	31.99
Plan assets	17.57
Surplus/(Deficit)	(14.41)
Experience adjustments on plan liabilities	0.75
Experience adjustments on plan assets	1.16

27. Related party disclosures

a. Name of related parties & description of relationship

Sr. No	**Relationship**	**Name of Related Parties**
1	Holding Company	Thermax Limited (TL)
2	Ultimate Holding Company	RDA Holding Pvt. Ltd. (RDA)
3	Subsidiaries and Joint Venture Companies of Holding Company	Thermax Sustainable Energy Solutions Ltd., (TSESL)
		Thermax Engineering Construction Company Ltd., (TECCL)
		Thermax Instrumentation Ltd., (TIL)
		Thermax Europe Ltd., (TEL)
		Thermax International Ltd.,
		Thermax Inc.,
		Thermax Hong Kong Ltd.,
		Thermax do BrasilEnergia e Equipamentos Ltda.,
		Thermax (Zhejiang) Cooling & Heating Engineering Co.Ltd.
		Thermax SPX Energy Technologies Ltd.
		Thermax Babcock & Wilcox Energy Solutions Pvt Ltd
		Thermax Denmark ApS
		Thermax Netherlands B.V.
		Danstoker A/S
		EjendomsanpartsselskabetIndustrivej Nord 13
		Rifox-Hans Richter GmbH
		Thermax SBN. BHD
		Boilerworks A/S, (Denmark)
		Boilerworks Properties ApS, Denmark
		Thermax Engineering Singapore Pte Ltd
		PT Thermax International Indonesia -(Step down subsidiary of Thermax Engineering Singapore Pte Ltd.)
		Thermax Senegal SARL -(Step down subsidiary of
		Thermax International Ltd., Mauritius)
		Thermax Nigeria Limited
		First Energy Private Limited
4	Key Management Personnel	Mr. SriramVishwanathan – Chief Executive Officer (CEO)

b. Transactions with the Related parties

Sr. No.	**Particulars**	**2015-16 Rs. Lacs**	2014-15 Rs. Lacs
1	Reimbursement of expenses incurred for (TL)	**61.84**	13.03
2	Sales made to (TL)	**13.63**	49.57
3	Reimbursement of expenses incurred by (TL)	**112.48**	239.45
4	Rent paid (TL)	**3.60**	1.00
5	Purchases		
	Spares and consumables (TL)	**41.60**	9.77
	Capital Equipments (TL)	**677.72**	433.32
6	Outstanding Balances as at 31st March 2016		
	Payables – (TL)	**233.75**	183.21
	Receivables – (TL)	**16.44**	7.30
	Advances for capital purchases – (TL)	**157.47**	12.20
7	Bank Guarantees issued by (TL) on behalf	**218.00**	143.00
8	Managerial Remuneration (CEO)	**33.13**	30.79

28. Earnings Per Share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	**Year ended March 31, 2016**	Year ended March 31, 2015
Net profit for calculation of basic and diluted EPS	218.93	109.09
Weighted average number of equity shares	1,86,50,000	1,86,50,000
Basic & Diluted EPS (Rs.)	1.17	0.58
Nominal value of shares (Rs.)	10	10

29. Details of dues to micro and small enterprises as defined under The Micro, Small and medium enterprises Development (MSMED) Act 2006

Particulars	**March 31, 2016**	March 31, 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
Principal amount due to micro and small enterprises	Nil	Nil
Interest due thereon	Nil	Nil
The amount of interest paid by the Company in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

Notes to Financial Statements
(All amounts in INR Lakh, unless otherwise stated)

30. Expenditure in foreign currency (on accrual basis)

Particulars	March 31, 2016	March 31, 2015
Travelling and conveyance, commission, legal and professional fees and others	9.64	1.40
Total	**9.64**	**1.40**

31. Borrowings

Secured loans:

During the financial year 2013-14, term loan facility was obtained from Tata Capital Financial Services Ltd of Rs. 4000 Lacs. Rate of interest for the loan facility was floating rate linked to the lenders lending rate.

The Company had drawn down Rs. 1400 Lacs in the financial year 2013-14.

The repayment term of the loan is scheduled on monthly basis starting from 29th April 2015 over a period of five years.

The loan is secured by First Charge on Plant & Machinery and Escrow of cash flow for the specific project for which such facility is availed.

32. Previous year's figures have been regrouped/ reclassified where necessary to conform to this year's classification.

As per our report of even date

For B. K. Khare & Co.	**Amitabha Mukhopadhyay**	**Sanjay Parande**
Chartered Accountants	Director	Director
Firm Registration No. 105102W		
Naresh Kumar Kataria	**Sriram Vishwanathan**	**Ajit Sharma**
Partner	Chief Executive Officer	Chief Financial Officer
Membership No.037825		
Place : Pune	Place : Pune	**Shrinidhi Deopujari**
Date : 29th April, 2016	Date : 29th April, 2016	Company Secretary

Cash Flow Statement

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
A. Cash Flow from Operating Activities		
Profit before taxation	354.12	161.39
Adjustment for :		
Depreciation	595.41	483.60
Loss on Asset sold	11.19	18.72
Loss on Asset discarded	0.50	-
Provision for Maintenance	186.04	154.86
Interest income	(31.15)	(38.65)
Interest Expenditure	142.92	171.62
Provision for doubtful debts	15.80	10.07
Operating profit before working capital changes	**1,274.84**	961.60
Changes in Working Capital:		
Increase / (Decrease) in trade payables	61.69	(14.75)
Increase / (Decrease) in provisions	18.29	(11.88)
Increase / (Decrease) in other current liabilities	17.11	33.52
Increase / (Decrease) in other long term liabilities	103.97	(191.86)
Increase / (Decrease) in trade receivables	(80.82)	(196.08)
Increase / (Decrease) in inventories	69.80	(62.84)
Increase / (Decrease) in loans & advances	(98.92)	(29.86)
Increase / (Decrease) in other current assets	(1.00)	(27.93)
Increase / (Decrease) in other non-current assets	-	(56.27)
Cash Generated from Operations	**1,364.97**	403.64
Taxes paid (net of refunds)	(108.47)	(52.30)
Net Cash generated from operating activities	**1,256.49**	351.34
B. Cash flow from Investing Activities		
Purchase of tangible / intangible assets	(858.90)	(589.98)
Sale of assets	9.61	38.99
Margin Money received back	-	0.50
Interest received	31.15	38.65
Net cash from investing activities	**(818.14)**	(511.84)
C. Cash flow from Financing Activities		
Interest paid	(142.92)	(171.62)
Repayment borrowings	(280.01)	-
Net Cash used in financing activities	**(422.93)**	(171.62)
Net increase in Cash and Cash equivalents	**15.43**	(332.12)
Cash and Cash equivalents at the beginning of the year	**433.73**	765.85
Cash and Cash equivalents at the end of the year	**449.15**	433.73
Cash and Cash equivalents comprise of :		
Balances with Banks	449.15	433.73
Margin Money with Bank	-	-
Total	**449.15**	433.73

As per our report of even date

For B. K. Khare & Co.	**Amitabha Mukhopadhyay**	**Sanjay Parande**
Chartered Accountants	Director	Director
Firm Registration No. 105102W		
Naresh Kumar Kataria	**Sriram Vishwanathan**	**Ajit Sharma**
Partner	Chief Executive Officer	Chief Financial Officer
Membership No.037825		
Place : Pune	Place : Pune	**Shrinidhi Deopujari**
Date : 29th April, 2016	Date : 29th April, 2016	Company Secretary

THERMAX SUSTAINABLE ENERGY SOLUTIONS LIMITED

Board of Directors

Hemant Mohgaonkar
M.S. Unnikrishnan
Amit Atre

Registered Office

Thermax House
14, Mumbai-Pune Road,
Wakdewadi,
Pune 411 003.

Auditors

B. K. Khare & Co.
Chartered Accountants
Hotel Swaroop, 4th Floor,
Lane No. 10, Prabhat Road, Pune 411 004.

Company Secretary

Rohit Gokhale

Bankers

Canara Bank

DIRECTORS' REPORT

Dear shareholder,

The Directors present the Twenty-eighth Annual Report of the company for the year ended March 31, 2016.

FINANCIAL RESULTS (Rs. lacs)

Particulars	2015-16	2014-2015
Total Income	**24.32**	26.09
Profit before depreciation	**(6.16)**	(68.67)
Depreciation	**-**	23.53
Profit / (Loss) before tax	**(6.16)**	(92.20)
Provision for taxation including deferred tax	**-**	-
Prior year tax adjustment	**-**	-
Profit / (Loss) after tax	**(6.16)**	(92.20)

STATE OF COMPANY'S AFFAIRS

The overall business outlook continues to be subdued due to low prices of Certified Emission Reductions (CER) in global market. Due to this situation that prevailed for more than three years, the business has become unviable. The financial statements are therefore prepared based on 'not going concern' basis.

MATERIAL CHANGES AFFECTNG FINANCIAL POSITION OF THE COMPANY

The market continues to be very challenging and no material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the company.

SHARE CAPITAL

The Paid up Share Capital of the company is Rs. 875 lac. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.

HEALTH AND SAFETY

There is nothing to report under health and safety. in view of no business activities being conducted during the year.

DIVIDEND

In view of the losses the Directors do not recommend any dividend during the year.

AMOUNT PROPOSED TO BE CARRIED TO RESERVES

The company does not propose to carry any amount to reserves.

PUBLIC DEPOSITS

The company has not accepted any deposits under Chapter V of the Companies Act, 2013. It has no unpaid / unclaimed deposit(s) as on March 31, 2016.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the company did not give any loan or made an investment pursuant to the provisions of Section 186 of the Companies Act, 2013.

BUSINESS RISK MANAGEMENT

The company is facing a risk of viability of business which can endanger its existence. The management is exploring various alternatives to mitigate the said risk.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The company has adequate internal financial controls given the size of financial transactions during the year.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The company is not required to appoint KMP and Independent Directors in terms of Companies Act, 2013. All the Directors are non-executive Directors and do not receive any remuneration.

DIRECTORS

Gajanan P. Kulkarni resigned on December 21, 2015 and Amit Atre has been appointed as an additional director on March 11, 2016.

In accordance with the provisions of the Companies Act, 2013 and the company's Articles of Association, M.S. Unnikrishnan retires by rotation and being eligible offers, himself for re-appointment as Director.

BOARD MEETINGS

The Board met five times on April 30, 2015, July 21, 2015, October 19, 2015, December 15, 2015 and March 11, 2016 during the year. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The Directors have prepared the annual accounts on not a going concern basis; and

(e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

All related party transactions (RPTs) that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with Promoters, Directors, or other designated persons which may have a potential conflict with the interest of the company at large. Therefore requirements of disclosure of RPTs in AOC-2 are not attracted.A statement showing the disclosure of transactions with related parties as required under Accounting Standard 18 is set out separately in the Financial Statements.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT - 9, as required under Section 92 of the Companies Act, 2013 is annexed herewith as "Annexure 1" and forms parts of this report.

CONSERVATION OF ENERGYAND TECHNOLOGICAL ABSORPTION

The Particulars as required under the Provision of Section 134 (3)(m) of the Companies Act, 2013 in respect of conservation of energy & Technology absorption are not furnished, as the company has not undertaken any business operations during the year.

FOREIGN EXCHANGE EARNINGS AND OUTGO

There are 'no' transactions in foreign exchange to report.

PARTICULARS OF EMPLOYEES

None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managarial Personnel) Rules, 2014 framed under the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

The operations of the company are not carried on a going concern basis. There are no significant material orders passed by the Regulators / Courts during the year.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has in place an Anti-Sexual Harassment Policy in line with the Thermax Group.The company has not received any complaints regarding sexual harassment during the year.

AUDITORS

M/s. B. K. Khare & Co., Chartered Accountants, retire as Statutory Auditors at the ensuing Annual General Meeting and being eligible, the Board has recommended their re-appointment as Statutory Auditors.

ACKNOWLEDGEMENTS

The Board of Directors take this opportunity to thank all stakeholders for their continued co-operation and support during tough times.

For and on behalf of the Board of Directors of
Thermax Sustainable Energy Solutions Limited

	Hemant Mohgaonkar	**M. S. Unnikrishnan**	**Amit Atre**
	Director	Director	Director
	DIN: 01308831	DIN: 01460245	DIN: 07460318

Place: Pune
Date: May 05, 2016

ANNEXURE 1

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

I.	CIN	:	U29219PN1987PLC045658
II.	Registration Date	:	23.12.1987
III.	Name of the Company	:	Thermax Sustainable Energy Solutions Ltd.
IV.	Category / Sub-Category of the Company	:	Public Company / Limited by Shares
V.	Address of the Registered office and contact details	:	Thermax House, 14, Mumbai – Pune Road, Wakdewadi, Pune- 411003
VI.	Whether listed company	:	No
VII.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
------------------------------------NIL------------------------------------			

* No business activity was carried during the year

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the company	CIN/GLN	Holding /Subsidiary/ Associates	% of Shares held	Applicable Section
1	Thermax Limited D-13, M.I.D.C. Industrial Area, R.D. Aga Road, Chinchwad, Pune - 411 019	L29299MH1980PLC022787	Holding	100	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	%of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govnt(s)	-	-	-	-	-	-	-	-	-
c) State Govnt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	4749940	4749940	100	-	4749940	4749940	100	0
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	**-**	**4749940**	**4749940**	**100**	**-**	**4749940**	**4749940**	**100**	**0**
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total share holding of Promoter (A)= (A)(1)+(A) (2)	**-**	**4749940**	**4749940**	**100**	**-**	**4749940**	**4749940**	**100**	**0**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	%of Total Shares	
B. Public Shareholding									
1. Institution	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Any other	-	-	-	-	-	-	-	-	-
Sub-total(B)(1):-	-	-	-	-	-	-	-	-	-
2. Non- Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	60	60	0	-	60	60	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
- Directors Relative	-	-	-	-	-	-	-	-	-
- Trusts	-	-	-	-	-	-	-	-	-
- Foreign Bodies Corporate	-	-	-	-	-	-	-	-	-
- Foreign Bodies-DR	-	-	-	-	-	-	-	-	-
- Non Resident Indian	-	-	-	-	-	-	-	-	-
- HUF	-	-	-	-	-	-	-	-	-
- Clearing Members	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):-	**-**	**60**	**60**	**0**	**-**	**60**	**60**	**0**	**0**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**-**	**60**	**60**	**0**	**-**	**60**	**60**	**0**	**0**
C) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**-**	**4750000**	**4750000**	**100**	**-**	**4750000**	**4750000**	**100**	**0**

(ii) Shareholding of Promoters (including preference shares capital)

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholding at the end of the year (As on 31-03-2016)			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1	Thermax Limited	8749940	100	NIL	8749940	100	NIL	NIL
	TOTAL	**8749940**	**100**	**NIL**	**8749940**	**100**	**NIL**	**NIL**

iii) Change in Promoters' Shareholding: NIL

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)		Shareholding at the end of the year (As on 31-03-2016)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	------------------------------------NIL------------------------------------			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL

Sl. No.	Name of the shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the company				No. of shares	% of total shares of the company
------------------------------------NIL------------------------------------								

(V) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the company				No. of shares	% of total shares of the company
1	M. S. Unnikrishnan jointly with Thermax Limited	10	0	-	-	-	10	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

Amount in Rs. Lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2015)				
i) Principal Amount	-	202.68	-	202.68
ii) Interest due but not paid	-	135.76	-	135.76
iii) Interest accrued but not due	-	0	-	0
Total (i+ii+iii)	**-**	**338.44**	**-**	**338.44**
Change in indebtedness during the financial year				
Addition	-	0	-	0
Reduction	-	0	-	0
Net Change	**-**	**0**	**-**	**0**
Indebtedness at the end of the financial year (31.03.2016)				
i) Principal Amount	-	202.68	-	202.68
ii) Interest due but not paid	-	135.76	-	135.76
iii) Interest accrued but not due	-	0	-	0
Total (i+ii+iii)	**-**	**338.44**	**-**	**338.44**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Total Amount
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act,1961	
2	Stock Option	
3	Sweat Equity	
4	Commission - as % of profit - others, specify…	
5	Others, please specify (Retrial Benefits)	
	Total(A)	
	Ceiling as per the Act	

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors	-	-	-	-	
	Fee for attending board / committee meetings	-------------------------------------NIL-------------------------------------				
	Commission					
	Others, please specify					
	Total(1)					
2.	Other Non-Executive Directors Directors	Hemant Mohgaonkar	Amit Atre	M. S. Unnikrishnan	Gajanan P Kulkarni (1.04.15 to 21.12.15)	
	Fee for attending board / Committee meetings	-------------------------------------NIL-------------------------------------				
	Commission					
	Others, please specify					
	Rent for Premises					
	Security Deposit for Lease Premises					
	Total(2)					
	Total(B)=(1+2)					
	Total Managerial (A+B) Remuneration					
	Over all Ceiling as per the Act					

C. Remuneration to key managerial personnel other than MD/Manager/Whole Time Director

Sl. no.	Particulars of Remuneration	Total Amount
1.	Gross salary	NA
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	
	(b) Value of perquisites u/s 17(2) Income-taxAct,1961	
	(c) Profits in lieu of salary under section 17(3) Income-taxAct,1961	
2.	Stock Option	
3.	Sweat Equity	
4.	Commission - as% of profit - Others, specify	
5.	Others, please specify (Retrial Benefits)	
	Total	

VII. Penalties /Punishment/ compounding of offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any (give Details)
a) Company	---NIL-------------------------------				
Penalty					
Punishment					
Compounding					
b) Directors					
Penalty					
Punishment					
Compounding					
c) Other Officers in Default					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors
of Thermax Sustainable Energy Solutions Limited

Place: Pune
Date: May 5, 2016

Hemant Mohgaonkar
Director
DIN: 01308831

M. S. Unnikrishnan
Director
DIN: 01460245

Amit Atre
Director
DIN: 07460318

Independent Auditor's Report

To the Members of Thermax Sustainable Energy Solutions Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of THERMAX SUSTAINABLE ENERGY SOLUTIONS LIMITED ("the Company"), which comprise the balance sheet as at March 31, 2016, and the statements of profit and loss and cash flow for the period from April 1, 2015 to March 31, 2016, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the period from April 1, 2015 to March 31, 2016.

Emphasis of matter

9. We draw attention to note 1(a) to the financial statements dealing with the preparation of financial statements on 'Not a Going Concern Basis '. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure II of this report.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations.

   ii. The Company did not have any long-term contracts including derivate contracts for which there were any material foreseeable losses.

   iii. No amounts were required to be transferred to the Investor Education and Protection Fund by the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number 105102W

Naresh Kumar Kataria
Partner
Membership Number : 037825

Place : Pune
Date : May 5, 2016

ANNEXURE I TO THE AUDITORS' REPORT

Referred to in paragraph 9 of our report of even date on the standalone financial statements of **Thermax Sustainable Energy Solutions Limited** for the year ended March 31, 2016

I. (a) The Company does not hold Fixed Assets; therefore, clause 3(i) (a) of the Order is not applicable to the Company.

(b) The Company does not hold Fixed Assets; therefore, clause 3(i) (b) of the Order is not applicable to the Company.

(c) The Company does not hold immovable properties; therefore, clause 3(i) (c) of the Order is not applicable to the Company.

II. In the opinion and according to the information & explanations given to us, the requirement of Paragraph 3 (ii) of the Order in respect of 'Inventories' are not, on facts , applicable to the company and hence no comments have been offered there under.

III. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

IV. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

V. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits to which the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed there under to the extent notified, are applicable. Therefore, Clause 3(v) of the Order is not applicable to the company.

VI. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the products/services of the Company.

VII. (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. None of these dues were outstanding as at the year end, for a period of more than six months from the date they became payable.

(b) There are no disputed dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which has not been deposited with the relevant authority.

VIII. On the basis of examination of relevant records and according to the information and explanations given to us, the Company has not borrowed any money from financial institution or bank or debenture holders during the year. Therefore, Clause 3(viii) of the Order is not applicable to the company.

IX. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer (including debt instruments) and term loans during the year hence; reporting under clause (ix) is not applicable to the Company and hence not commented upon.

X. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

XI. On the basis of examination of relevant records and according to the information and explanations given to us, the Company has not paid or provided any managerial remuneration. Therefore, Clause 3(xi) of the Order is not applicable to the company.

XII. The Company is not a 'Nidhi Company'; therefore, clause 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

XIII. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

XIV. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

XV. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

XVI. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number 105102W

Naresh Kumar Kataria
Partner
Membership Number : 037825

Place : Pune
Date : May 5, 2016

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF THERMAX SUSTAINABLE ENERGY SOLUTIONS LIMITED

Report on the Internal Financial Control sunder Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of THERMAX SUSTAINABLE ENERGY SOLUTIONS LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the period from April 1, 2015 to March 31, 2016.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("ICAI") and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number 105102W

Naresh Kumar Kataria
Partner
Membership Number : 037825

Place : Pune
Date : May 5, 2016

Balance Sheet as at March 31, 2016

Particulars	Note No	Rs Lacs As at March 31, 2016	Rs Lacs As at March 31, 2015
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
a. Share capital	1	**875.00**	875.00
b. Reserves and surplus	2	**(875.59)**	(869.43)
		(0.59)	5.57
2 Current liabilities			
a. Short-term borrowings	3	**338.44**	338.44
b. Trade payables	4	**2.15**	2.72
c. Other current liabilities	5	**45.45**	48.53
d. Short-term provisions	6	**4.86**	4.69
		390.90	394.39
TOTAL		**390.31**	399.96
II ASSETS			
1. Non-current assets			
Long-term loans and advances	7	**201.58**	203.92
		201.58	203.92
2. Current assets			
a. Trade receivables	8	**-**	-
b. Cash and cash equivalents	9	**174.40**	170.02
c. Short-term loans and advances	10	**9.03**	20.31
d. Other current assets	11	**5.30**	5.71
		188.73	196.04
TOTAL		**390.31**	399.96

Notes to the financial statements 16

The accompanying notes are an integral part of the financial statements.

Profit and loss statement for the period ended March 31, 2016

	Particulars	Note No	Rs Lacs March 31, 2016	Rs Lacs March 31, 2015
I	Revenues from operations		-	-
II	Other income	12	**24.32**	26.09
III	**Total Revenue (I+II)**		**24.32**	26.09
IV	**Expenses :**			
	Employee benefits	13	**11.94**	22.64
	Finance costs		-	16.22
	Depreciation and amortisation		-	23.53
	Other expenses	15	**18.54**	55.91
	Total Expenses		**30.48**	118.29
V	Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		**(6.16)**	(92.20)
VI	Exceptional items		-	-
VII.	Profit / (Loss) before extraordinary items and tax (V - VI)		**(6.16)**	(92.20)
VIII	Extraordinary Items		-	-
IX	Profit / (Loss) before tax (VII-VIII)		**(6.16)**	(92.20)
X	Tax expense:			
	1. Current tax		-	-
	2. Deferred tax		-	-
XI	Profit / (loss) for the year from continuing operations (VII-VIII)		**(6.16)**	(92.20)
XII	Profit / (loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit / (loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV	Profit (Loss) for the period (XI + XIV)		**(6.16)**	(92.20)
XVI	Earning per equity share: (Refer Note no 3 (vii) of Note 16)			
	1. Basic and Diluted		**(0.13)**	(1.94)
	2. Face Value per Share (Rs.)		**10.00**	10.00

Notes to the financial statements 16

The accompanying notes are an integral part of the financial statements.

As per our Report of even date
For B. K. Khare & Co.

Chartered Accountants	**M. S. Unnikrishnan**	**Amit Atre**
Firm Registration No 105102W	Director	Director
Naresh Kumar Kataria	**Hemant Mohgaonkar**	**Rohit Gokhale**
Partner	Director	Company Secretary
Membership No.037825		
Place:Pune	Place:Pune	
Date : 5th May, 2016	Date : 5th May, 2016	

As per our Report of even date
For B. K. Khare & Co.

Chartered Accountants	**M. S. Unnikrishnan**	**Amit Atre**
Firm Registration No 105102W	Director	Director
Naresh Kumar Kataria	**Hemant Mohgaonkar**	**Rohit Gokhale**
Partner	Director	Company Secretary
Membership No.037825		
Place:Pune	Place:Pune	
Date : 5th May, 2016	Date : 5th May, 2016	

Notes to Financial Statements

Particulars	Rs Lacs As at March 31, 2016	Rs Lacs As at March 31, 2015
Note 1		
Share capital		
Authorised		
4750000 (Previous Year : 4750000) Equity Shares of 10/- each	**475.00**	475.00
4000000 (Previous Year : 4000000) Preference Shares of 10/- each	**400.00**	400.00
Issued		
4750000 (Previous Year : 4750000) Equity Shares of 10/- each	**475.00**	475.00
4000000 (Previous Year : 4000000) Preference Shares of 10/- each	**400.00**	400.00
TOTAL	**875.00**	875.00

a) Reconciliation of the shares at the beginning and at the end of the reporting period.

Equity Shares	**March 2016**		March 2015	
	Nos	**Rs Lacs**	Nos	Rs Lacs
At the beginning of the period	**4750000**	**475.00**	4750000	475.00
Issued during the period	**-**	**-**	-	-
Outstanding at the end of the period	**4750000**	**475.00**	4750000	475.00

Preference Shares	**March 2015**		March 2014	
	Nos	**Rs Lacs**	Nos	Rs Lacs
At the beginning of the period	**4000000**	**400.00**	4000000	400.00
Issued during the period	**-**	**-**	-	-
Outstanding at the end of the period	**4000000**	**400.00**	4000000	400.00

b) Term/rights attached to equity shares

The Company has only one class of equity shares having at par value of Rs. 10 per share. Each holder of equity shares is entitled to vote per share. The dividend proposed by the Board of Directors shall be subject to the approval of the shareholders in the ensuing Annual General Meeting.
In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Term/rights attached to Preference shares

The 6% Cumulative Preference shares issued on 12/04/2012 shall be redeemed in one or more tranches not later than a period of six years from the date of allotment at face value. No voting rights are attached to the said Preference shares.

d) Shares held by holding / ultimate holding company and/ or their subsidiaries/ associates.

100% of the equity as well preference shares are held by its holding company, Thermax Limited.

e) Details of Share holding more than 5% shares in the Company.

	March 31, 2016	March 31, 2015
Equity Shares of Rs. 10 each fully paid up Thermax Limited	**100%**	100%
Preference Shares of Rs. 10 each fully paid up Thermax Limited	**100%**	100%

Particulars	Rs Lacs As at March 31, 2016	Rs Lacs As at March 31, 2015
Note 2		
Reserves and Surplus		
General Reserve		
Per Last Balance Sheet	**162.52**	162.52
Transferred from Surplus	**-**	-
	162.52	162.52
Surplus / (Deficit)		
Per Last Balance Sheet	**(1,031.95)**	(939.75)
Profit / (Loss) for the year	**(6.16)**	(92.20)
	(1,038.11)	(1,031.95)
TOTAL	**(875.59)**	(869.43)

	Rs Lacs As at March 31, 2016	Rs Lacs As at March 31, 2015
Note 3		
Short-term borrowings		
Loans and advances from related parties	**338.44**	338.44
TOTAL	**338.44**	338.44
Note 4		
Trade payables		
Trade payables	**2.15**	2.72
(Ref Note No. 3 (viii) of Note 16)		
TOTAL	**2.15**	2.72
Note 5		
Other current liabilities		
Customer Advances	**42.61**	42.61
Other Liabilities	**2.85**	5.92
TOTAL	**45.45**	48.53
Note 6		
Short-term provisions		
Employee Benefits	**4.86**	4.69
TOTAL	**4.86**	4.69
Note 7		
Long-term loans and advances		
Advances to Staff and Workers	**0.75**	-
Advance Payment of Income Tax and Wealth Tax	**200.83**	203.92
[(Net of Provision Rs. 430.70 Lacs (Previous Year :Rs.430.70 Lacs)]		
TOTAL	**201.58**	203.92
Note 8		
Trade Receivables		
Unsecured trade receivable outstanding for a period exceeding six month	**-**	-
Considered doubtful	**0.08**	0.08
Less : Provision for doubtful debts	**(0.08)**	(0.08)
TOTAL	**-**	-

Notes to financial statements

Particulars	Rs Lacs As at March 31, 2016	Rs Lacs As at March 31, 2015
Note 9		
Cash and cash equivalents		
Balances with banks		
Deposit others	**108.42**	166.26
Balances in current accounts	**65.98**	3.75
TOTAL	**174.40**	170.02
Note 10		
Short-term loans and advances		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	**9.03**	20.31
TOTAL	**9.03**	20.31
Note 11		
Other current assets		
Balance in Central Excise & Customs Accounts	**5.05**	5.46
Other current assets	**0.25**	0.25
TOTAL	**5.30**	5.71

Particulars	Rs Lacs As at March 31, 2016	Rs Lacs As at March 31, 2015
Note 12		
Other income		
Interest Income	**12.43**	15.55
Other non-operating income	**11.89**	10.54
TOTAL	**24.32**	26.09
Note 13		
Employee Benefits Expense		
Salaries and wages	**10.66**	21.44
Contribution to provident and other funds	**1.28**	1.19
TOTAL	**11.94**	22.64
Note 14		
Finance Costs		
Interest on Loan	**-**	16.22
TOTAL	**-**	16.22
Note 15		
Other Expenses		
Legal & Professional Charges	**18.51**	0.37
Printing and Stationery	**-**	0.04
Auditors Fees (Refer Note no 3 (iv) of Note 19)	**-**	0.70
Provision for Doubtful debts	**-**	0.08
Provision for Inventory absolescence	**-**	4.55
Service Tax not Recoverable	**-**	49.38
Miscellaneous Expenses	**0.03**	0.78
TOTAL	**18.54**	55.91

Note 16

1 Significant Accounting Policies

a) Basis of Preparation of Financial Statements

The company was in the business of Carbon Advisory Services. During the year, in view of continuous business uncertainties in the CER market, the Board of Directors of the Company has decided to indefinitely suspend the said business operations of the Company. Consequently, the financial statements for the year ended 31 March 2016, have been prepared on 'Not a Going Concern' basis.

Subject to the above, the financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material respect with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013.

b) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialized.

c) Provisions and Contingent Liabilities

Provisions in respect of present obligations arising out of past events (recognised in the manner required by AS 29) are made in the accounts when a reliable estimate can be made of the amount of the obligations. Contingent liabilities in respect of possible obligations arising from past events, if any, are disclosed by way of a note to the Balance Sheet.

Contingent liabilities are disclosed by way of note to the financial statements, after careful evaluation by the management of the facts and legal aspects of the matter involved.

2. Notes to Accounts

i) Contingent Liabilities not provided for :-

a) Demands disputed of Income Tax in appellate proceedings Rs 191.17 Lacs (Previous Year : Rs. 191.17 Lacs)

b) Appeals preferred by the Income Tax department in respect to which, should the ultimate decision be unfavorable to the company, the liability is estimated to be Rs. 138.09 Lacs (Previous Year : Rs. 138.09 Lacs)

c) Dividend payable @ 6% on preference share capital Rs. 96 Lacs (Previous Year : Rs. 72 Lacs)

ii) Other Expenses include:

Particulars	Current Year Rs. Lacs	Previous Year Rs. Lacs
Audit Fees	**0.70**	0.70

Amounts are exclusive of service tax.

iii) Related Party Disclosures

a) Name of related parties & description of relationship

Sr No	Relationship	Name of Related Parties
1	Ultimate Holding Company	RDA Holdings Pvt. Ltd. (RDA)
2	Holding Company	Thermax Limited (TL)
3	Subsidiaries	-
4	Subsidiaries and Joint Venture companies of Holding Company	Thermax Engineering Construction Company Limited Thermax Engineering Construction Company Limited Thermax Instrumentation Limited Thermax Onsite Energy Solutions Limited

Notes to Financial Statements

Sr No	Relationship	Name of Related Parties
		Thermax SPX Energy Technologies Limited (Joint venture with SPX Netherlands BV)
		Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd. (Joint venture with Babcock & Wilcox India Holdings Inc.)
		Thermax International Limited (Mauritius)
		Thermax Hong Kong Limited (Hong Kong)
		Thermax Europe Limited (U.K.)
		Thermax Inc. (U.S.A)
		Thermax do Brasil Energia e Equipametos Ltda. (Brazil)
		Thermax (Zhejiang) Cooling & Heating Engineering Co. Limited (China)
		Thermax Netherlands B.V. (Netherlands)
		Thermax DenmarkApS (Denmark)
		Danstoker A/S (Denmark)
		EjendomsanpartsselskabetIndustrivej Nord 13 (Denmark)
		Thermax SDN. BHD. (Malaysia)
		Rifox – Hans Richter GmbH Spezialarmaturen (Germany)
		Boilerworks A/S (Denmark)
		Boilerworks Properties ApS (Denmark)
		Thermax Engineering Singapore Pte Ltd.
		PT ThermaxInternational Indonesia -(Step down subsidiary of Thermax Engineering Singapore Pte Ltd.)
		Thermax Senegal SARL -(Step down subsidiary of
		Thermax International Ltd., Mauritius)
		First Energy Private Limited
		Thermax Nigeria Limited

b) Transactions with the Related parties

Sr No	Particulars	**2015-16 Rs. Lacs**	2014-15 Rs. Lacs
1	Reimbursement of expenses incurred by the (TL)	**-**	11.56
2	Reimbursement of expenses from (TL)	**11.89**	10.54
3	Interest on loan taken from the (TL)	**-**	16.22
4	Outstanding Balances as at 31st March Payable - (TL) Loan and accrued interest payable –(TL)	**1.75** **338.44**	1.76 338.44

j) Earnings per Share (EPS)

The earnings per share calculated in accordance with Accounting standard – 20 "Earning Per Share" issued by the Institute of Chartered Accountants of India :

Particulars	**As at 31st March 2016**	As at 31st March 2015
Net profit as per Profit & Loss Account (in Rs. Lacs)	**(6.16)**	(92.20)
Weighted Average Number of Equity Shares (Face Value Rs.10 each)	**47,50,000**	47,50,000
Face Value of Equity Shares (in Rupees)	**10**	10
Basic earnings per share (in Rupees)	**(0.13)**	(1.94)
Diluted earnings per share (in Rupees)	**(0.13)**	(1.94)

k) The company has not received any intimation, from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year-end together with interest paid / payable as required under the said Act have not been given.

Rs. Lacs

Sr. No	Particulars	**2015-16**			2014-15		
		Principal	**Interest**	**Total**	Principal	Interest	Total
A	Total outstanding dues to micro small and Medium enterprises	**Nil**	**Nil**	**Nil**	Nil	Nil	Nil
B	Principal amount and interest due thereon remaining unpaid as at end of the year	**Nil**	**Nil**	**Nil**	Nil	Nil	Nil
C	Amount of interest paid in terms of section 16 of MSMED Act alongwith the amount of the payment made to supplier beyond appointed day	**Nil**	**Nil**	**Nil**	Nil	Nil	Nil
D	Outstanding Interest (where principal amount has been paid off to the supplier but interest amount is outstanding as on March 31)	**Nil**	**Nil**	**Nil**	Nil	Nil	Nil
E	Total Interest outstanding as on March 31 (Interest in 'b' + interest in 'd' above)	**Nil**	**Nil**	**Nil**	Nil	Nil	Nil

l) Previous Year's figures have been regrouped wherever necessary to conform to this Year's classification.

As per our Report of even date
For B. K. Khare & Co.

Chartered Accountants Firm Registration No 105102W	**M. S. Unnikrishnan** Director	**Amit Atre** Director
Naresh Kumar Kataria Partner Membership No.037825	**Hemant Mohgaonkar** Director	**Rohit Gokhale** Company Secretary
Place:Pune Date : 5th May, 2016	Place:Pune Date : 5th May, 2016	

Cash Flow Statement

	Particulars	Rs Lacs As at March 31, 2016	Rs Lacs As at March 31, 2015
A	**Cash flow from Operating Activities**		
	Profit before taxation	**(6.16)**	(92.20)
	Adjustment for :		
	Depreciation	**-**	23.53
	Interest income	**(12.43)**	(15.55)
	Interest Expenditure	**-**	(16.22)
	Operating profit before working capital changes	**(18.59)**	(100.42)
	Changes in Working Capital:		
	Increase / (Decrease) in trade payables	**(0.57)**	(12.95)
	Increase / (Decrease) in provisions	**0.16**	4.69
	Increase / (Decrease) in other current liabilities	**(3.08)**	339.24
	Increase / (Decrease) in other long term liabilities	**-**	(323.85)
	Increase / (Decrease) in other long term provisions	**-**	(4.01)
	Increase / (Decrease) in trade receivables	**-**	0.11
	Increase / (Decrease) in inventories	**-**	4.55
	Increase / (Decrease) in loans & advances	**11.28**	(1.43)
	Increase / (Decrease) in other current assets	**0.41**	48.22
	Increase / (Decrease) in other non-current assets	**2.34**	29.39
	Net Cash generated from operating activities	**(8.04)**	(16.47)
B	**Cash flow from Investing Activities**		
	Interest received	**12.43**	15.55
	Net cash from investing activities	**12.43**	15.55
C	**Cash flow from Financing Activities**		
	Interest paid	**-**	16.22
	Net Cash used in financing activities	**-**	16.22
	Net increase in Cash and Cash equivalents	**4.38**	15.30
	Cash and Cash equivalents at the beginning of the year	**170.02**	154.72
	Cash and Cash equivalents at the end of the period	**174.40**	170.02
	Cash and Cash equivalents comprise of :		
	Balances with Banks	**174.40**	170.02
	Total	**174.40**	170.02

As per our Report of even date

For B. K. Khare & Co.

Chartered Accountants	**M. S. Unnikrishnan**	**Amit Atre**
Firm Registration No 105102W	Director	Director
Naresh Kumar Kataria	**Hemant Mohgaonkar**	**Rohit Gokhale**
Partner	Director	Company Secretary
Membership No.037825		
Place:Pune	Place:Pune	
Date : 5th May, 2016	Date : 5th May, 2016	

THERMAX SPX ENERGY TECHNOLOGIES LIMITED

Board of Directors

Pheroz Pudumjee
(Chairman)
Ravinder Advani
Vivek Dhir
Torsten Andersch
Sundar Parthasarathy
(Independent Director)
Sanjay Parande
(Independent Director)

Registered Office

Thermax House,
14, Mumbai – Pune Road,
Wakdewadi,
Pune - 411003

Auditors

B. K. Khare & Co.
Chartered Accountants
Hotel Swaroop, 4th Floor, Lane No. 10, Prabhat Road,
Pune 411004

Key Managerial Personnel

Mahesh Kulkarni (Manager)
Ravi Shewade (Manager)
Manohar Kansara
(Chief Financial Officer)
Mahesh Kakade
(Company Secretary)

Corporate Office

4th Floor, Energy House, D-II Block, Plot No. 38&39,
MIDC, Chinchwad, Pune 411019

Bankers

Corporation Bank
Axis Bank

Directors' Report

Dear shareholder,

The Directors present their Seventh Annual Report of the company for the year ended March 31, 2016.

FINANCIAL RESULTS

(Rs.in lacs)

Particulars	**2015-16**	2014-15
Total income	**4433.87**	303.87
Profit/(Loss) before depreciation	**5.35**	(209.69)
Depreciation	**3.04**	1.81
Profit/(Loss) before tax	**2.31**	(211.50)
Provision for taxation (incl. deferred tax)	**-**	-
Profit/(Loss) after tax	**2.31**	(211.50)

STATE OF COMPANY'S AFFAIRS

The company is a strategic joint venture (JV) between Thermax Limited and Balcke-Dürr GMBH and SPX Mauritius Limited, a wholly owned subsidiaries of SPX Corporation, USA.

The JV has Air Cooled Condenser [ACC] product which is widely used on turbine exhaust application with a view to reduce water consumption in power generation. Looking at ongoing water shortage during the year in India, your company feels that the ACC will witness increased demand and it will provide a sustainable business to the company. In addition to this product the company can also offer the products like electrostatic precipitators (ESP), Bag Houses, Rotary Air Pre-Heaters (RAPHs) to various boiler OEMs as and when private players become active in power generation market.

During the year, the company earned a total income of Rs. 4433.87 Lac as against Rs. 303.87 Lac in the previous year. Income after tax was Rs. 2.31 Lac as against previous year's loss after tax of Rs. 211.50 Lac. During the year, the company exported large consignments of ACCs and also completed supplies of one ACC to a major OEM in India.

During the year, as a part of business restructuring, the foreign collaborator, SPX Corporation, divested dry cooling as a part business to an Indian company. This will reduce the potential market for the company to regenerative air preheaters and electrostatic precipitators for large projects.

MATERIAL CHANGES AFFECTNG FINANCIAL POSITION OF THE COMPANY

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

HEALTH & SAFETY

Safety and health at offices and project sites are of paramount importance for your company. All executed projects so far are with "Zero loss time injury". All sites are equipped with necessary safety gears for the people working on sites.

DIVIDEND

In view of the accumulated losses the directors do not recommend any dividend during the year.

AMOUNT PROPOSED TO BE CARRIED TO RESERVES

The company does not propose to carry any amount to reserves.

SHARE CAPITAL

The Paid up Share Capital of the Company is Rs. 2,000 lac. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.

PUBLIC DEPOSITS

The company has not accepted any deposits under Chapter V of the Companies Act, 2013. Consequently it has no unpaid / unclaimed deposit(s) as on March 31, 2016.

PARTICULARS OF LOAN GUARANTEE AND INVESTMENT

During the year company has not given loans, guarantees and investments covered under the provisions of Section 186 of Companies Act 2013.

BUSINESS RISK MANAGEMENT

The company has identified and classified its key risks pertaining to the core business and has a broad framework in place for effective risk identification, review and mitigation. The company will continue to actively monitor and strengthen its risk management framework.

The company has also installed a fully integrated online platform to track and monitor statutory compliances.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal controls are reviewed by Internal Audit Department of holding company on periodical basis. All significant and material observations emerging out of Internal Audit are regularly reported to the Audit Committee of the Board and follow-up measures are taken.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The company follows the standard policies of the holding company to the extent applicable for appointment and remuneration of Directors and KMPs. Considering the nature of business the company will customize the standard policies accordingly to suit the needs and aspirations of the employees in consultation with the Nomination and Remuneration Committee and the Board.

The non-executive and non-independent Directors on the Board are the executives nominated by the parent company and hence do not receive any remuneration and or sitting fees. The Independent Directors receive sitting fees as approved by the Board of Directors.

DIRECTORS

Mr. Sunder Parthasarathy and Mr. Sanjay Parande have been inducted on the Board of the company as Independent Directors on July 13, 2015 for a period of three years from July 13, 2015 to July 12, 2018.

Mr. Eugene Lowe has stepped down from the directorship of your company with effect from October 19, 2015. Consequently, Mr. Hans Torsten Andersch who was appointed as an Alternate Director for Eugene Lowe effective from May 03, 2013 ceased to be an Alternate Director with effect from October 19, 2015.

Mr. Hans Torsten Andersch has been inducted on the Board of the company as an Additional Director with effect from October 19, 2015 and he will hold the office till the ensuing Annual General Meeting in accordance with the provisions of Section 161 of the Companies Act, 2013.

Currently, the Board of the company comprises six directors – four non-executive directors and two independent directors. In accordance with the provisions of the Companies Act, 2013 and the company's Articles of Association, Mr. Ravinder Advani retires by rotation, and being eligible, offers himself for re-appointment as director.

DECLARATION BY INDEPENDENT DIRECTORS

The company has received declarations from the Independent Directors confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

BOARD MEETINGS

During the year, the Board met five times on May 12, 2015, July 21, 2015, October 19, 2015, December 18, 2015 and January 19, 2016. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3) (c) of the Companies Act, 2013with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis; and

(e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMMITTEES OF THE BOARD

The Board has constituted Audit Committee and Nomination and Remuneration Committee.

AUDIT COMMITTEE

The Audit Committee met four times during the year on May 12, 2015, July 21, 2015, October 19, 2015 and January 19, 2016.

Following the induction of the independent directors of the company, the Board has reconstituted the Audit Committee on July 21, 2015. The Committee now comprises 3 (Three) members, all being non-executive directors. Mr. Sanjay Parande, Mr. Sunder Parthasarathy and Mr. Hans Torsten Andersch are the members of the committee.

The terms of reference of the Audit Committee are as follows:

1. Review recommendations for appointment, remuneration and terms of appointment of auditors of the company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditors' report thereon;
4. Approval or any subsequent modification of transactions of the company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Decide scope of internal audit;
9. Investigate into / act on any matter as may be referred to it by the Board.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee met once during the year on January 19, 2016.

In compliance with Section 178 of the Companies Act, 2013, the Board on July 21, 2015 has reconstituted the erstwhile "Remuneration Committee" as the "Nomination and Remuneration Committee". The committee now comprises 3 (Three) members namely Mr. Sunder Parthasarathy, Mr. Sanjay Parande and Mr. Hans Torsten Andersch. The terms of reference of the Nomination and Remuneration Committee are as follows:

1. Formulation of policies and process on appointment of directors of the company, key managerial personnel (KMP), senior management officials and employees and recommend to the Board their appointment and removal.
2. Formulation of performance evaluation process of senior management, KMP and directors.
3. Formulation of policy on determination of qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
4. Review compensation trends across the industry.
5. Review human resource policies and processes.
6. Review the identified talent and their retention strategies.
7. Succession planning of senior management and employees.
8. Any other matter that may be referred by the Board from time to time.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the company at large.

Therefore, requirements of disclosure of RPTs in AOC-2 are not attracted.

During the year, as required under section 177 of the Companies Act, 2013 RPTs were placed before Audit Committee for approval. A statement showing the disclosure of transactions with related parties as required under Accounting Standard 18 is set out separately in the Financial Statements.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT - 9, as required under Section 92 of the Companies Act, 2013 is annexed herewith as "Annexure 1" and forms parts of this report.

CONSERVATION OF ENERGY

Your Company is in the business of supply of Air Cooled Condenser and Electrostatic Precipitator and Rotary Air Pre-heaters which helps the Company's customers to reduce water consumption, particulate emission and reduction in fuel requirement which in turn helps to reduce adverse impact on the environment.

TECHNOLOGY ABSORPTION

There was no technology acquisition and absorption during the year under review.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pertaining to foreign exchange earnings and outgo is set out in note no. 37,38 &39 of notes to Financial Statements as per Section 134 (3) (m) of the Companies Act, 2013.

Particulars	**31-Mar-16**	**31-Mar-15**
Earnings		
Reimbursement of Expenses	5 12 173	5 29 204
Expenditure		
Royalty	73 06 318	Nil
Capital Expenditure	94 763	Nil
Net	(68 88 908)	5 29 204

PARTICULAR OF EMPLYOEES

None of the emplyoees are covered by the provisions contained in rule 5(2) of the companies (Appointment and remuneration of Managarial personnel) Rules, 2014 framed under the companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the company and its future operations.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has in place an Anti-Sexual Harassment Policy in line with the Thermax Group. The company has not received any complaints regarding sexual harassment during the year.

AUDITORS

M/s. B.K. Khare & Company, Chartered Accountants, retire as Statutory Auditors at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the support extended by the company's customers, vendors and bankers during the year and look forward to their continued support in the future as well.

For and on behalf of the Board of Directors of
Thermax SPX Energy Technologies Limited

Pune
April 29, 2016

Pheroz Pudumjee
Chairman
DIN: 00019602

ANNEXURE 1

FORMNO.MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

I.	CIN	:	U29299PN2009PLC134761
II.	Registration Date	:	06.10. 2009
III.	Name of the Company	:	Thermax Spx Energy Technologies Limited
IV.	Category / Sub-Category of the Company	:	Public Company / Limited by Shares
V.	Address of the Registered office and contact details	:	Thermax House, 14, Mumbai – Pune Road, Wakdewadi, Pune – 411003, India
VI.	Whether listed company	:	No
VII.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Air Cooled Condenser (ACC)	28110	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the company	CIN/GLN	Holding /Subsidiary/ Associates	% of Shares held	Applicable Section
1	Thermax Limited D-13, M.I.D.C. Industrial Area, R.D. Aga Road, Chinchwad, Pune - 411 019	L29299MH1980PLC022787	Holding	51	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	%of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central **Govt.**(s)	-	-	-	-	-	-	-	-	-
c) State Govnt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	10199995	10199995	51	-	10199995	10199995	51	0
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other (Relative of Director)	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	**-**	**10199995**	**10199995**	**51**	**-**	**10199995**	**10199995**	**51**	**0**
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	9800000	9800000	49	-	9800000	9800000	49	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**9800000**	**9800000**	**49**	**-**	**9800000**	**9800000**	**49**	**-**
Total share holding of Promoter (A)= (A)(1)+(A) (2)	**-**	**19999995**	**19999995**	**100**	**-**	**19999995**	**19999995**	**100**	**0**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	%of Total Shares	
B. Public Shareholding									
1. Institution									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt									
d) State Govt(s)	-------------------------------------NIL-------------------------------------								
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Any other									
Sub-total(B)(1):-	-	-	-	-	-	-	-	-	-
2. Non- Institutions									
a) Bodies Corp.	-------------------------------------NIL-------------------------------------								
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lac	-	5	5	0	-	5	5	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1Lac									
c) Others (specify)									
- Directors Relative									
- Trusts	-------------------------------------NIL-------------------------------------								
- Foreign Bodies Corporate									
- Foreign Bodies-DR									
- Non Resident Indian									
- HUF									
- Clearing Members									
Sub-total(B)(2):-	-	5	5	0	-	5	5	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	**-**	**5**	**5**	**0**	**-**	**5**	**5**	**0**	**0**
C) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**-**	**20000000**	**20000000**	**100**	**-**	**20000000**	**20000000**	**100**	**0**

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholding at the end of the year (As on 31-03-2016)			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1	Thermax Limited	10199995	51%	NIL	10199995	51%	NIL	51%
2	Balcke-Dürr GmbH	5200000	26%	NIL	5200000	26%	NIL	26%
3	SPX Mauritius Limited	4600000	23%	NIL	4600000	23%	NIL	23%
	Total	**19999995**	**100%**	**NIL**	**19999995**	**100%**	**NIL**	**100%**

iii) Change in Promoters' Shareholding:

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)		Shareholding at the end of the year (As on 31-03-2016)	
1	**SPX Netherlands B.V.**	**No. of Shares**	**% of total Shares of the company**	**No. of Shares**	**% of total Shares of the company**
	At the beginning of the year	9800000	49%	0	NIL
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity): On 18th June 2015 due to transfer of shares holding of promoters has been changed	Transfer			
	At the End of the year	9800000	49%	0	NIL

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): **NIL**

Sl. No.	Name of the shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares at the beginning (01-04-2015) / end of the year (31-03-2016)	**% of total shares of the company**				**No. of shares**	**% of total shares of the company**
-------------------------------------NIL-------------------------------------								

(V) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2016)	
		No. of shares at the beginning (01-04-2015) / end of the year (31-03-2016)	**% of total shares of the company**				**No. of shares**	**% of total shares of the company**
1	Pheroz Nusly Pudumjee jointly with Thermax Limited	1	0	--	--	--	1	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

Amount in Rs. lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2014)	-------------------------------------NIL-------------------------------------			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

Amount in Rs. lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in indebtedness during the financial year				
Addition				
Reduction				
Net Change				
Indebtedness at the end of the financial year (31.03.2015)	-------------------------------------NIL-------------------------------------			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Amount in Lacs.

Sl. no.	Particulars of Remuneration	Manager (Mahesh Kulkarni)	Manager (Ravi Shewade)	Total Amount in Rs.
1	Gross salary			
	(a) Salary as per provisions containedinsection17(1) of the Income-tax Act, 1961	20.17	18.81	38.98
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	0.99	1.31	2.30
	(c) Profits in lieu of salary undersection17(3)Income- taxAct,1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission- as % of profit - others, specify…	0	0	0
5	Others, please specify (Retrial Benefits)	0	0	0
	Total(A)	21.16	20.12	41.28
	Ceiling as per the Act	42		

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
1.	Independent Directors	Sanjay Parande	Sunder Parthasarath	
	Fee for attending board / committee meetings	3.19	3.19	6.38
	Commission	-	-	-
	Others, please specify	-	-	-
	Total(1)	3.19	3.19	6.38

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount
2.	Other Non-Executive Directors	Pheroz Pudumjee	Ravinder Advani	Vivek Dhir	Eugene Lowe	Torsten Andersch	
	Fee for attending board /	-------------------------------------NIL-------------------------------------					
	Committee meetings						
	Commission						
	Others, please specify						
	Rent for Premises						
	Security Deposit for Lease Premises						
	Total(2)						
	Total(B)=(1+2)						
	Total Managerial (A+B) Remuneration						
	Over all Ceiling as per the Act						

C. Remuneration to key managerial personnel other than MD/Manager/Whole Time Director

Amount in Rs. Lacs

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary (Mahesh Kakde)	**Chief Financial Officer (Manohar Kansara)**	**Total Amount in Rs. Lacs**
1.	Gross salary			
	(a) Salary as per provisions contained in section17(1)of the Income-tax Act,1961	7.31	11.39	18.70
	(b) Value of perquisites u/s 17(2)Income-taxAct,1961	0.05	0	0.05
	(c) Profits in lieu of salary under section 17(3)Income-taxAct,1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission - as% of profit - Others, specify	0	0	0
5.	Others, please specify (Retrial Benefits)	0	0	0
	Total	**7.36**	**11.39**	**18.75**

VII. Penalties /Punishment/ compounding of offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any (give Details)
a) Company	-------------------------------------NIL-------------------------------------				
Penalty					
Punishment					
Compounding					
b) Directors					
Penalty					
Punishment					
Compounding					
c) Other Officers in Default					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors of Thermax SPX Energy Technologies Limited

Place: Pune
April 29, 2016

Pheroz Pudumjee
Chairman
DIN: 00019602

Independent Auditors' Report

To the Members of Thermax SPX Energy Technologies Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Thermax SPX Energy Technologies Limited** ("the Company"), which comprise the balance sheet as at March 31, 2016 and the statements of profit and loss and cash flow for the period from April 1, 2015 to March 31, 2016 and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in Order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements**.**

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the period from April 1, 2015 to March 31, 2016.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143(3) of the Act, we report that:

    a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c. the Balance Sheet, the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account;

    d. in our opinion, the aforesaid standalone financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

    e. on the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.

    f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure II.

    g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company does not have any pending litigations.

        ii. The Company did not have any long-term contracts including derivate contracts for which there were any material foreseeable losses.

        iii. No amounts were required to be transferred to the Investor Education and Protection Fund by the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number 105102W
Naresh Kumar Kataria
Partner
Membership Number
037825

Place: Pune
Date: 29 April, 2016

ANNEXURE I TO THE AUDITOR'S REPORT

Referred to in paragraph 9 of our report of even date on the standalone financial statements of **Thermax SPX Energy Technologies Limited** for the year ended March 31, 2016

I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets are physically verified by the Management according to a programme of phased verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed in respect of assets verified during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company does not hold any immovable properties; therefore Clause 3 (1) (c) of the Order is not applicable to the Company.

II. The management has conducted physical verification of inventory during the year. The inventory of the Company as at the year-end is held by third party, which has been verified from the confirmation received from the said party. Hence, no material discrepancies were found on such verification.

III. The Company has not granted any loans to parties covered in the register maintained under section 189 of Companies Act, 2013. Therefore, Clause 3(iii) (a), (b) & (c) of the Order is not applicable to the company.

IV. The Company has not granted any loans or made any investments during the year to which section 185 and 186 of the Act are applicable. Therefore, Clause 3(iv) of the Order is not applicable to the company.

V. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits to which the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed there under to the extent notified, are applicable. Therefore, Clause 3(v) of the Order is not applicable to the company.

VI. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Therefore, Clause 3(vi) of the Order is not applicable to the company.

VII. (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other applicable statutory dues with the appropriate authorities.

(b) There are no disputed dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added taxes which have not been deposited with the relevant authority.

VIII. On the basis of examination of relevant records and according to the information and explanations given to us, the Company has not borrowed any money from financial institution or bank or debenture holders during the year. Therefore, Clause 3(viii) of the Order is not applicable to the company.

IX. On the basis of examination of relevant records and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year, and accordingly, Para 3(ix) of the Order is not applicable to the Company.

X. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instances of material frauds by the company or any fraud on the Company by its officers or employees nor have any instances been reported during the year.

XI. On the basis of examination of relevant records and according to the information and explanations given to us, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

XII. The Company is not a 'Nidhi Company', therefore, Clause 3(xii) of the Order is not applicable to the Company.

XIII. On the basis of examination of relevant records and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable. The Company has disclosed the details of transactions with related parties in the Financial Statements as required by the applicable accounting standards.

XIV. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit; therefore, Clause 3(xiv) of the Order is not applicable to the company.

XV. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

XVI. On the basis of examination of relevant records and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number 105102W

Naresh Kumar Kataria
Partner
Membership Number
037825

Place: Pune
Date: 29 April, 2016

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF **THERMAX SPX ENERGY TECHNOLOGIES LIMITED**

Report on the Internal Financial Control sunder Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Thermax SPX Energy Technologies Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the period from April 1, 2015 to March 31, 2016.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("ICAI") and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number 105102W

Naresh Kumar Kataria
Partner
Membership Number
037825

Place: Pune
Date: 29 April, 2016

Balance Sheet as at March 31, 2016

(All amount in Rupees, unless stated otherwise)

Particulars	Note No	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	**20,00,00,000**	20,00,00,000
Reserves and surplus	4	**(10,44,64,439)**	(10,36,88,557)
		9,55,35,561	9,63,11,443
Non-current liabilities			
Long-term provisions	5	**16,83,619**	-
		16,83,619	-
Current liabilities			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	6	**9,02,96,191**	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	6	**4,28,83,931**	1,35,10,945
Other current liabilities	6	**10,51,70,657**	7,66,15,489
Short-term provisions	5	**99,40,474**	1,61,92,539
		24,82,91,252	10,63,18,973
TOTAL		**34,55,10,433**	20,26,30,416
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	7	**6,14,061**	5,26,554
Intangible assets	8	**1,95,436**	1,88,955
Loans and advances	10	**54,05,785**	52,81,321
Trade receivables	11	**-**	1,49,800
		62,15,282	61,46,630
Current assets			
Current investments	9	**1,20,68,520**	2,26,06,643
Inventories	12	**60,64,905**	1,10,24,369
Trade receivables	11	**16,13,77,599**	48,41,856
Cash and bank balance	13	**11,01,92,345**	11,97,37,227
Loans and advances	10	**4,95,91,782**	3,74,61,170
Other current assets	14	**-**	8,12,522
		33,92,95,151	19,64,83,786
TOTAL		**34,55,10,433**	20,26,30,416
Summary of significant accounting policies	2.1		

The notes are an integral part of these financial statements.

Statement of profit and loss for the year ended March 31, 2016

(All amounts in Rupees, unless otherwise stated)

Particulars	Note No	March 31, 2016	March 31, 2015
INCOME			
Revenues from operations (gross)	15	**42,16,98,643**	88,08,503
Other income	16	**2,16,88,736**	2,15,79,315
Total income (I)		**44,33,87,378**	3,03,87,818
Expenses :			
Cost of Bought out goods	17	**37,86,29,600**	1,49,69,893
(Increase)/ decrease in inventories of work-in-progress, finished goods and traded goods	18	**49,59,464**	(1,10,24,369)
Employee benefits expense	19	**3,20,51,935**	2,81,39,191
Finance costs		**-**	-
Depreciation and amortisation expense	20	**3,04,509**	1,80,621
Other expenses	21	**2,72,10,719**	1,92,72,619
Total expenses (II)		**44,31,56,226**	5,15,37,956
Profit before tax (III=I-II)		**2,31,152**	(2,11,50,138)
Tax Expense :			
Current tax		**-**	-
Deferred tax		**-**	-
Total tax expense - (IV)			
Profit after tax (V=III-IV)		**2,31,152**	(2,11,50,138)
Basic and diluted earnings per equity share [nominal value 10 (Previous year: 10)] (note 28)		**0.01**	(1.06)
Computed on the basis of total profit for the year			
Summary of significant accounting policies	2.1		

The notes are an integral part of these financial statements.

As per our report of even date	For and on behalf of the Board			
For B.K.Khare & Co.	**Ravinder Advani**	**Torsten Andersch**	**Sanjay Parande**	
Chartered Accountants	Director	Director	Director	
Firm Registration No 105102W				
Naresh Kumar Kataria	**Mahesh Kulkarni**	**Ravi Shewade**	**Manohar Kansara**	**Mahesh Kakade**
Partner	Manager	Manager	CFO	Company Secretary
Membership No. 037825				
Pune: 29th April, 2016	Pune: 29th April, 2016			

Notes to the financial statements for the year ended March 31, 2016

(All amounts in Rupees, unless otherwise stated)

1. Corporate information

Thermax SPX Energy Technologies Limited (the "Company") is a public company domiciled in India. The Company is engaged in the supply & erection commissioning of Air cooled condenser (ACC), Rotary air Pre-Heater (RAPH), electrostatic precipitator (ESP), Bag Houses. The Company caters to both domestic and international markets.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with notified accounting standards referred to in Section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standard) Amendment Rules, 2016. The financial statements have been prepared on accrual basis under the historical cost convention, except for derivative financial instruments which have been measured at fair value.

All Assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of products and services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

a) Change in accounting policy

Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reported period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Plant, Property and Equipment

Plant, property and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment.

c) Depreciation on property, plant and equipment

Depreciation on plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management.

Asset category	Company's estimate of useful life (years)
Plant and equipment	3 years
Computers and data processing units	4 years
Vehicles	6.33 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed three years from the date when the asset is available for use. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end and are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

A summary of amortization rates applied to the Company's intangible assets is as below:

	Rates
Computer software	33.33%

e) Investments

Investments which are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. ts.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

f) Inventories

Project bought out goods are valued at lower of cost and estimated net realisable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

g) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Liability on account of the Company's obligation under the employees' superannuation fund, a defined contribution plan, is charged to the statement of profit and loss on the basis of the plan's liability to contribute.

The Company operates a defined benefit plan, viz. gratuity. The cost of providing benefit under this plan is determined on the basis of actuarial valuation at each year end using the projected unit credit method. Actuarial gains and losses for defined benefit plans is recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet as it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Liability on account of the Company's obligation under the employee's medical reimbursement scheme and leave travel assistance is charged to the statement of profit and loss at the undiscounted amount of such liability.

Liabilities on account of the Company's obligations under statutory regulations, agreement with trade unions and employees' short term incentive plan, as applicable, are charged to the statement of profit and loss at the undiscounted amount of each liability.

h) Provisions

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimates can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Notes to the financial statements for the year ended March 31, 2016

(All amounts in Rupees, unless otherwise stated)

i) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

j) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have passed on to buyer, usually on delivery of goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Income from services

Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Contract revenue

Contract revenue in respect of projects for construction of plants and systems, involving designing, engineering, fabrication, supply, erection (or supervision thereof), commissioning, guaranteeing performance thereof etc., execution of which is spread over different accounting periods is recognized on the basis of percentage of completion method. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management (some of which are of a technical nature) of the expected costs to completion, the expected revenues from each contract (adjusted for probable liquidated damages, if any) and the foreseeable losses to completion. When it is probable that the total contract costs will exceed the total contract revenue, the expected loss is recognised as an expense immediately.

Dividend

Dividend income is recognized when the Company's right to receive is established by the reporting date.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

k) Foreign currency translation

i. Initial recognition

Transactions in foreign currencies are recorded in reporting currency by applying to the foreign currency amount the exchange rates between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

l) Derivative instruments and hedge accounting

The Company uses derivative financial instruments, such as, foreign currency forward contracts to hedge its risk arising from future transactions in respect of which firm commitments are made and are highly probable forecast transactions.

The Company designates these forward contracts in a hedging relationship by applying the hedge accounting principles of AS 30 Financial Instruments: Recognition and Measurement.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized directly under shareholders fund in the hedging reserve, while any ineffective portion is recognized immediately in the statement of profit and loss.

The Company uses foreign currency forward contracts as hedges of its exposure to foreign currency risk in forecasted transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognized immediately in the statement of profit and loss.

Amounts recognized in the hedging reserve are transferred to the statement of profit and loss when the hedged transaction affects profit or loss, such as when the hedged income or expense is recognized or when a forecast sale occurs.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized in the hedging reserve is transferred to the statement of profit and loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in the hedging reserve remains in the hedging reserve until the forecast transaction or firm commitment affects profit or loss.

m) Income taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961 enacted in India.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

n) Segment reporting

Identification of segments

Based on the guiding principles given in the Accounting Standards -17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Company is operating in single business segment viz. Energy.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Notes to the financial statements for the year ended March 31, 2016

(All amount in Rupees unless stated otherwise)

3. Share capital

Particulars	March 31, 2016	March 31, 2015
Authorized shares (Nos)		
5,00,00,000 (Previous Year: 5,00,00,000) Equity Shares of Rs 10 /- each.	**50,00,00,000**	50,00,00,000
	50,00,00,000	50,00,00,000
Issued, subscribed and fully paid share capital (Nos)		
2,00,00,000 (Previous Year: 2 00 00 000) Equity Shares of Rs 10 /- each.	**20,00,00,000**	20,00,00,000
Total issued, subscribed and fully paid-up share capital	**20,00,00,000**	20,00,00,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at March 31, 2016		As at March 31, 2015	
	No. of shares	**Amount**	No. of shares	Amount
Shares outstanding at the beginning of the year	**2,00,00,000**	**20,00,00,000**	2,00,00,000	20,00,00,000
Shares outstanding at the end of the year	**2,00,00,000**	**20,00,00,000**	2,00,00,000	20,00,00,000

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Equity shares held by holding company

	March 31, 2016	March 31, 2015
- Thermax Limited (along with 6 nominee shareholders)		
102,00,000 (Previous year:102,00,000..) equity shares of 10/- each fully paid	**10,20,00,000**	**10,20,00,000**
Total		

(d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	March 31, 2016		March 31, 2015	
	%	**No. of shares**	%	No. of shares
- Thermax Limited (along with 6 nominee shareholders)	**51%**	**1,02,00,000**	51%	1,02,00,000
- Balck Durr GmbH (along with 1 nominee shareholder)	**26%**	**52,00,000**	-	-
- SPX Mauritius Limited (along with 1 nominee shareholder)	**23%**	**46,00,000**	-	-
- SPX Netherlands B.V. (along with 1 nominee shareholder)	-	-	49%	98,00,000

4. Reserves and surplus

		March 31, 2016	March 31, 2015
Hedging reserve			
Balance as per last financial statement		-	-
Add: Arising during the year (note 30)		**(10,07,034)**	-
Closing balance	(A)	**(10,07,034)**	-
Surplus in Statement of profit and loss			
Balance as per last financial statement		**(10,36,88,557)**	(8,25,38,419)
Add: Profit for the year		**2,31,152**	(2,11,50,138)
Net surplus in the Statement of profit and loss	(B)	**(10,34,57,405)**	(10,36,88,557)
Total reserves and surplus (A+B)		**(10,44,64,439)**	(10,36,88,557)

5. Provisions

	Long term		**Short-term**	
	March 31, 2016	**March 31, 2015**	**March 31, 2016**	**March 31, 2015**
Provision for employee benefits				
Provision for gratuity (note 25)	-	-	**4,36,386**	5,29,093
Provision for leave encashment	-	-	**26,03,379**	20,36,766
Provision for Performance Incentive	-	-	**40,00,000**	24,00,000
	-	-	**70,39,765**	49,65,859
Other provisions				
Provision for warranties (note 29)	**16,83,619**	-	**29,00,709**	1,12,26,680
	16,83,619	-	**29,00,709**	1,12,26,680
Total	**16,83,619**	-	**99,40,474**	1,61,92,539

6. Trade Payables and other liabilities

	Long term		**Short-term**	
	March 31, 2016	**March 31, 2015**	**March 31, 2016**	**March 31, 2015**
Trade payables				
a. total outstanding dues of micro enterprises and small enterprises (note 31 for details of dues to micro and small enterprises)	-	-	**9,02,96,191**	-
b. total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	**4,28,83,931**	1,35,10,945
	-	-	**13,31,80,121**	1,35,10,945
Other Liabilities				
Unearned revenue (note 24)	-	-	**3,61,89,000**	-
Customer advances	-	-	**3,91,30,862**	4,99,00,600
Statutory dues and other liabilities*	-	-	**57,82,755**	4,96,055
Other payables	-	-	**2,40,68,039**	2,62,18,834
	-	-	**10,51,70,657**	7,66,15,489
Total	-	-	**23,83,50,778**	9,01,26,434

* includes Tax Deducted At Source, Provident Fund, VAT, CST, PT, Service Tax.

Notes to the financial statements for the year ended March 31, 2016

(All amounts in Rupees, unless otherwise stated)

7. Tangible assets

	Plant and equipment	Office Equipments	Computers	Furniture and fixtures	Vehicles	Total
Cost or valuation						
At 01 April 2014	**-**	**58,135**	**19,80,242**	**41,963**	**7,53,746**	**28,34,086**
Additions	1,73,226	-	-	-	-	1,73,226
Disposals	-	-	-	-	-	-
At 31 March 2015	**1,73,226**	**58,135**	**19,80,242**	**41,963**	**7,53,746**	**30,07,312**
Additions	-	-	2,78,955	-	-	2,78,955
Disposals/Adjustments	-	-	-	-	-	-
At 31 March 2016	**1,73,226**	**58,135**	**22,59,197**	**41,963**	**7,53,746**	**32,86,267**
Depreciation						
At 01 April 2014	**-**	**55,230**	**18,84,077**	**39,865**	**3,46,620**	**23,25,792**
Charge for the year	41,904	-	96,165	-	1,13,062	2,51,131
Disposals	-	-	-	-	-	-
At 31 March 2015	**41,904**	**55,230**	**18,84,077**	**39,865**	**4,59,682**	**24,80,758**
Charge for the year	57,736	-	48,566	-	85,145	1,91,447
Disposals/Adjustments	-	-	-	-	-	-
At 31 March 2016	99,641	55,230	19,32,644	39,865	5,44,827	26,72,206
Net Block						
At 31 March 2015	**1,31,322**	**2,905**	**96,165**	**2,098**	**2,94,064**	**5,26,554**
At 31 March 2016	**73,585**	**2,905**	**3,26,553**	**2,098**	**2,08,919**	**6,14,061**

8. Intangible Assets

	Computer software	Total
Gross block		
At 01 April 2014	**7,95,434**	**7,95,434**
Additions	1,50,000	1,50,000
Disposals	-	-
At 31 March 2015	**9,45,434**	**9,45,434**
Additions	1,19,543	1,19,543
Disposals	-	-
At 31 March 2016	**10,64,977**	**10,64,977**
Amortization		
At 01 April 2014	**7,30,824**	**7,30,824**
Charge for the year	25,654	25,654
Disposals	-	-
At 31 March 2015	**7,56,479**	**7,56,479**
Charge for the year	1,13,062	1,13,062
Disposals	-	-
At 31 March 2016	**8,69,541**	**8,69,541**
Net Block		
At 31 March 2015	**1,88,955**	**1,88,955**
At 31 March 2016	**1,95,436**	**1,95,436**

9. Current Investments

	Non-current		Current	
	March 31, 2016	**March 31, 2015**	**March 31, 2016**	**March 31, 2015**
Unsecured, considered good unless stated otherwise				
Non Trade Investments in Mutual Funds(Unquoted)				
(i) 210.2681 (Previous Year 5092.0499) units of Kotak Liquid Scheme Plan A - Dividend re-investment	-	-	**2,57,115**	62,26,610
(ii) 38321.642 (Previous Yr 81661.477) units of ICICI Prudential Money Market Fund - Dividend Reinvestment	-	-	**38,37,663**	81,77,866
(iii) 1043.146 (Previous Year 8045.713) units of UTI Liquid Cash Institutional Daily dividend plan - Dividend re-investment	-	-	**10,63,431**	82,02,168
(iv) 69089.280 (Previous Year Nil) units of BSL Floating Rate Fund Short Term Daily dividend plan - Dividend re-investment	-	-	**69,10,310**	-
Total	-	-	**1,20,68,520**	2,26,06,643

Notes to the financial statements for the year ended March 31, 2016

(All amounts in Rupees, unless otherwise stated)

10. Loans and Advances

	Long term		Short-term	
	March 31, 2016	**March 31, 2015**	**March 31, 2016**	**March 31, 2015**
Unsecured, considered good				
Security deposits	**30,42,000**	30,42,000	**-**	-
Advances recoverable in cash or kind	**-**	-	**4,95,42,782**	3,72,96,553
	30,42,000	30,42,000	**4,95,42,782**	3,72,96,553
Other loans and advances				
Advance income-tax (net of provision for taxation)	**22,19,035,**	20,55,571,	**-**	-
Prepaid Expense	**-**	-	**-**	1,25,617
Advances to staff and workers	**1,44,750**	1,83,750	**49,000**	39,000
	23,63,785	22,39,321	**49,000**	1,64,617
Total	**54,05,785**	52,81,321	**4,95,91,782**	3,74,61,170

11. Trade receivable

	Non-current		Current	
	March 31, 2016	**March 31, 2015**	**March 31, 2016**	**March 31, 2015**
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	**-**	1,49,800	**33,20,000**	33,20,000
Doubtful	**-**	-	**-**	-
	-	1,49,800	**33,20,000**	33,20,000
Less: Provision for doubtful receivables	**-**	-	**-**	-
	-	1,49,800	**33,20,000**	33,20,000
Other receivables				
Unsecured, considered good	**-**	-	**15,80,57,599**	15,21,856
Doubtful	**-**	-	**-**	-
	-	-	**15,80,57,599**	15,21,856
Less: Provision for doubtful receivables	**-**	-	**-**	-
	-	-	**15,80,57,599**	15,21,856
Total	**-**	1,49,800	**16,13,77,599**	48,41,856

(Includes related party receivable of Rs. 13,40,60,433)

12. Inventories (valued at lower of cost and net realizable value)

	March 31, 2016	March 31, 2015
Project Bought out goods	**60,64,905**	1,10,24,369
Total	**60,64,905**	**1,10,24,369**

13. Cash and bank balance

	Non-current		Current	
	March 31, 2016	**March 31, 2015**	**March 31, 2016**	**March 31, 2015**
Cash and cash equivalents				
Balances with banks				
- on current accounts	**-**	-	**1,01,92,345**	27,37,227
Cash on hand	**-**	-	**-**	-
	-	-	**1,01,92,345**	27,37,227
Other Bank Balance #				
- on deposits with remaining maturity less than 12 months	**-**	-	**10,00,00,000**	11,70,00,000
	-	-	**10,00,00,000**	11,70,00,000
Total	**-**	-	**11,01,92,345**	11,97,37,227

Includes Rs. 1,18,00,000 (Previous year: Rs. Nil.) pledged as margin money deposit.

14. Other assets

	Non-current		Current	
	March 31, 2016	**March 31, 2015**	**March 31, 2016**	**March 31, 2015**
Unsecured, considered good unless stated otherwise				
Unbilled revenue	-	-	-	6,54,000
Interest accrued on fixed deposits	-	-	-	1,58,522
Total	-	-	-	8,12,522

15. Revenue from operations

	March 31, 2016	March 31, 2015
Sale of Project Revenues		
Sale of Project Bought Out Goods	**41,74,11,155**	53,02,000
Sale of services	**38,41,657**	33,47,239
Other operating revenues		
Miscellaneous income	**4,45,831**	1,59,264
Total	**4,45,831**	1,59,264
Revenue from operations	**42,16,98,643**	88,08,503
Details of sale of Project Revenues		
Project Bought out goods, accessories, spares, etc.	**41,74,11,155**	53,02,000
	41,74,11,155	53,02,000
Details of sale of services		
Erection and commissioning	**34,00,000**	21,70,000
Others	**4,41,657**	11,77,239
Total	**38,41,657**	**33,47,239**

16. Other Income

Interest income		
Bank deposits	**1,05,47,725**	1,03,33,880
Others	**8,676**	-
Dividend income		
Current investment	**21,61,877**	10,34,234
Liabilities no longer required written back	**82,97,819**	1,02,11,200
Miscellaneous income	**,6,72,639**	-
Total	**2,16,88,736**	**2,15,79,315**

17. Details of purchase of Project Bought out goods

Purchases of Project Bought out goods	**37,86,29,600**	1,49,69,893
Total	**37,86,29,600**	**1,49,69,893**

18. (Increase)/ decrease in inventories

Inventories at the beginning of the year		
Project Bought out goods	**1,10,24,369**	-
	1,10,24,369	-
Less: inventories at the end of the year		
Project Bought out goods	**60,64,905**	1,10,24,369
	60,64,905	1,10,24,369
Total	**49,59,464**	**(1,10,24,369)**

19. Employee benefits expense

Salaries and wages	**2,82,94,181**	2,48,73,597
Contribution to provident and other funds	**27,67,090**	25,82,503
Gratuity expense (note 25)	**4,29,074**	2,82,872
Staff welfare expenses	**5,61,589**	4,00,219
	3,20,51,935	2,81,39,191
Less: Expenses capitalized	**-**	-
Total	**3,20,51,935**	**2,81,39,191**

Notes to the financial statements for the year ended March 31, 2016

(All amounts in Rupees, unless otherwise stated)

20. Depreciation and amortization expense

	March 31, 2016	March 31, 2015
Depreciation of tangible assets	**3,04,509**	1,80,621
	3,04,509	**1,80,621**

21. Other expenses

Power and fuel	**8,26,283**	7,55,716
Site Expenses & Contract Labour Charges	**7,61,493**	2,06,821
Drawing, design and technical service charges	**18,45,291**	5,57,310
Free of cost supplies and modifications	**45,14,328**	1,50,080
Advertisement and sales promotion	**6,19,054**	6,16,553
Rent	**48,43,950**	51,30,368
Repairs and maintenance		
Plant and machinery	**5,34,236**	5,65,133
Others	**97,957**	1,03,772
Communication	**4,59,171**	4,06,325
Traveling and conveyance	**22,78,104**	21,48,975
Legal and professional fees	**6,28,658**	3,68,064
Director sitting fees	**6,39,800**	-
Payment to auditor (refer details below)	**70,000**	72,143
Royalty	**83,65,734**	-
Service Tax written off	**-**	75,42,438
Miscellaneous expenses (includes printing, communication, postage, security expense, etc.)	**7,26,659**	6,48,921
Total	**2,72,10,719**	1,92,72,619

Payment to auditors

	March 31, 2016	March 31, 2015
As auditor :		
Audit fee	**50,000**	50,000
Tax audit fee	**20,000**	20,000
In other capacity :		
Reimbursement of expenses	**-**	2,143
	70,000	72,143

23. Contingent liability and capital commitments

Contingent Liabilities

i. Performance Bank Guarantee given Rs. 48 Lacs. (Previous year Nil).

24. Disclosure pursuant to Accounting Standard (AS) -7

Particulars	**31-Mar-16**	31-Mar-15
Contract revenue recognised during the year	**42,00,93,848**	43,22,000
Aggregate amount of contract costs incurred and recognised profits (less recognised losses)	**42,22,43,533**	21,51,701
Customer advance outstanding for contract in progress	**1,74,32,369**	4,99,00,600
Retention money due from customers for contracts in progress.	**4,58,43,277**	1,49,800
Gross amount due from customers	**-**	6,54,000
Gross amount due to customers	**3,61,89,000**	-

25. Retirement Benefits

a) The Company operates a defined benefit plan viz. gratuity for its employees. Under the gratuity plan, every employee who has completed at least specified years of service gets a gratuity on departure @15 days (minimum) of the last drawn salary for each year of service. The scheme is funded with an insurance Company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

Particulars	**31-Mar-16**	31-Mar-15
Current service cost	**3,91,710**	3,76,644
Interest cost on benefit obligation	**1,50,753**	1,22,107
Expected return on plan assets	**(1,29,297)**	(1,00,621)
Net actuarial (gain)/loss	**15,908**	(1,15,258)
Net benefit expense	**4,29,074**	2,82,872
Actual (loss)/return on plan assets	**-**	-

Balance sheet

Particulars	**31-Mar-16**	31-Mar-15
Present value of defined benefit obligation	**21,76,460**	19,95,093
Less: Fair value of plan assets	**17,40,074**	14,66,000
Liability recognised in the Balance Sheet	**4,36,386**	5,29,093

Changes in the present value of the defined benefit obligation are as follows:

Particulars	**31-Mar-16**	31-Mar-15
Opening defined benefit obligation	**19,95,093**	15,26,333
Interest cost	**1,50,753**	1,22,107
Current service cost	**3,91,710**	3,76,644
Benefits paid	**(2,21,362)**	-
Actuarial (gains)/losses on obligation	**(1,39,734)**	(29,991)
Closing defined benefit obligation	**21,76,460**	19,95,093

Changes in the fair value of plan assets are as follows:

Particulars	**31-Mar-16**	31-Mar-15
Opening fair value of plan assets	**14,66,000**	12,35,402
Expected return	**1,29,297**	1,00,621
Actuarial gains/(losses)	**(1,55,642)**	85,267
Contributions by employer	**3,00,419**	44,710
Benefits paid	**-**	-
Closing fair value of plan assets	**17,40,074**	14,66,000

The Company expects to contribute Rs. 8 00 000 to the gratuity fund in the next year. (Previous year: Rs. 3 24 000.)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	**31-Mar-16**	31-Mar-15
Investments with insurer	**100%**	100%

The principal assumptions used in determining gratuity for the Company's plan is shown below:

Particulars	**31-Mar-16**	31-Mar-15
Discount rate	**8%**	8%
Expected rate of return on assets	**8%**	8%
Normal retirement age	**60**	60
Salary escalation rate	**7% p.a.**	7% p.a.
Mortality Table	**2006-08 Ultimate**	2006-08 Ultimate
Employee turnover		
Age 21-30	**10.00%**	10.00%
Age 31-34	**10.00%**	10.00%
Age 35-44	**10.00%**	10.00%
Age 45-50	**10.00%**	10.00%
Age 51-54	**10.00%**	10.00%
Age 55 & above	**10.00%**	10.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the interest rate prevailing in the market on that date, applicable to the period over which the obligation is to be settled.

Notes to the financial statements for the year ended March 31, 2016

(All amounts in Rupees, unless otherwise stated)

Amounts for the current year and previous four years are as follows:

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	**21,76,460**	19,95,093	15,26,333	12,42,986	6,52,895
Plan assets	**17,40,074**	14,66,000	12,35,402	8,71,066	5,05,819
Surplus/(Deficit)	**(4,36,386)**	(5,29,093)	(2,90,931)	(3,71,920)	(1,47,076)
Experience adjustments on plan liabilities	**1,39,734**	29,991	1,81,106	(74,244)	(81,641)
Experience adjustments on plan assets	**(1,55,642)**	85,267	-	(2,200)	(11,528)

Contribution to Provident fund and Other fund

Particulars	Year ended	Year ended
	31-Mar-16	31-Mar-15
Provident Fund and Other fund	**27,67,090**	25,82,503

26. Segment information

Particulars	Year ended	Year ended
	31-Mar-16	31-Mar-15
Revenue		
India	**42,16,98,643**	76,31,264
Europe	**-**	11,77,239
Total Revenue	**42,16,98,643**	88,08,503
Carrying Amount of Segment Assets		
India	**34,55,10,433**	20,26,30,417
Total Asset	**34,55,10,433**	20,26,30,417
Addition to Fixed assets		
India	**3,98,498**	3,23,226
Total Addition to Fixed assets	**3,98,498**	3,23,226

27. Related party disclosures

Related Party disclosures as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India are given below:

a) List of related parties and description of relationships:

Parties where control exists:

RDA Holdings Pvt. Ltd. - Ultimate Holding Company
Thermax Limited - Holding Company

Fellow Subsidiary

Thermax Engineering Construction Company Limited
Thermax Instrumentation Limited
Thermax Sustainable Energy Solutions Limited
Thermax Onsite Energy Solutions Ltd.
Thermax International Limited (Mauritius)
Thermax Hong Kong Limited (Hong Kong)
Thermax Europe Limited (U.K.)
Thermax Inc. (U.S.A)
Thermax (Zhejiang) Cooling and Heating Engineering Co.Limited (China)
Thermax do Brasil Energia e Equipametos Ltda. (Brazil)
Thermax Netherlands B.V. (Netherlands)
Thermax Denmark ApS (Denmark)
Danstoker A/S (Denmark)
Omnical Kessel- und Apparatebau GmbH (Germany)
Ejendomsanpartsselskabet Industrivej Nord 13 (Denmark)
Rifox- Hans Richter GmbH (Germany)
Thermax SDN BHD. (Malaysia)
Boilerworks A/S (Denmark)
Boilerworks Properties ApS (Denmark)
Thermax Engineering Singapore Pte Ltd
PT Thermax International Indonesia - (Step down subsidiary of Thermax Engineering Singapore Pte Ltd).
Thermax Senegal SARL - (Step down subsidiary of Thermax International Ltd., Mauritius).
Thermax Nigeria Limited (Step down subsidiary of Thermax International Ltd., Mauritius).
First Energy Private Ltd.

Fellow Joint Venture Subsidiary

Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd. (India)
Party having substantial interest:
Balcke Durr GmbH
SPX Mauritius Limited
SPX Cooling Technologies, USA
SPX Cooling Technologies, Belgium

b) Key Management Personnel

Mr. Mahesh Kulkarni - Manager
Mr. Ravi Shewade - Manager

c) Transactions with the Related Parties

The following transactions were carried out during the year with related parties in the ordinary course of business.

Amounts in Rs.

Sr. No.	Particular	2015-16	2014-15
1.	**Sales & Services**		
	Sales of Goods		
	Thermax Ltd.	**34,06,25,765**	31,50,000
	Rendering of Services		
	Thermax Instrumentation Ltd.	**Nil**	16,20,000
	Balcke Durr GmbH	**Nil**	11,77,239
	Thermax Ltd.	**54,000**	Nil
2.	**Expenses**		
	Office Rent – Thermax Ltd	**45,60,000**	55,13,000
	Royalty – SPX Cooling Technologies, Belgium	**73,06,318**	Nil
3.	**Reimbursement of Expenses (Net) -(Received) / Paid**		
	Thermax Ltd	**22,42,276**	21,58,329
	SPX Cooling Technologies, USA	**(5,12,173)**	(5,29,204)
	Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.	**6,02,200**	5,70,122
4.	**Advances received during the year**		
	Thermax Ltd.	**7,90,18,000**	3,69,70,000
	Balcke Durr GmbH	**2,16,98,493**	Nil
5.	**Amount Outstanding – Receivable**		
	Accounts Receivable		
	Thermax Ltd.	**13,40,60,433**	33,20,000
	SPX Cooling Technologies, USA	**1,16,748**	3,86,574
6.	**Deposit Given**		
	Thermax Ltd	**30,42,000**	30,42,000
7.	**Amount Outstanding - Advances, Payable**		
	Advances Outstanding		
	Thermax Ltd.	**1,63,18,769**	3,69,70,000
	Balcke Durr GmbH	**2,16,98,493**	Nil
	Accounts Payable / Other Payable		
	Thermax Ltd	**1,83,97,686**	3,37,24,327
8.	**Guarantees and Collaterals**		
	Thermax Ltd	**Nil**	68,00,000
9.	**Transactions with KMP**		
	Salary paid to the persons referred to “b”	**40,55,754**	35,22,610

28. Earnings Per Share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	**31-Mar-16**	31-Mar-15
Net profit for calculation of basic and diluted EPS	**2,31,152**	(2,11,50,138)
Weighted average number of equity shares	**2,00,00,000**	2,00,00,000
Basic & Diluted EPS (Rs.)	**0.01**	(1.06)
Nominal value of shares (Rs.)	**10**	10

Notes to the financial statements for the year ended March 31, 2016

(All amounts in Rupees, unless otherwise stated)

29. Disclosure as required by AS - 29 (Contingent Liabilities and Provisions):

Particulars	Provision for warranty	
	31-Mar-16	31-Mar-15
At the beginning of the year	**1,12,26,680**	1,11,46,600
Arising during the year	**45,84,328**	1,50,080
Utilised /reversed during the year	**1,12,26,680**	Nil
At the end of the year	**45,84,328**	1,12,26,680
Current portion	**29,00,709**	1,12,26,680
Non-current portion	**16,83,619**	80,080

30. Derivative instruments and unhedged foreign currency exposure

a. Derivatives as at reporting date:

Particulars	**Purpose**
Forward contract to sell EURO	Hedge of Cash Flows from firm commitments viz export order from Outotech GmbH.
EURO 6,74,165.10 (Previous year: Nil)	Hedge of highly probable foreign currency sales

b. Details of un-hedged foreign currency as at the reporting date:

There is no un-hedged foreign currency.

31. Details of dues to micro and small enterprises as defined under The Micro, Small and medium enterprises Development (MSMED) Act 2006

Particulars	**31-Mar-16**	31-Mar-15
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	**9,02,96,191**	Nil
Principal amount due to micro and small enterprises	**9,02,96,191**	Nil
Interest due thereon	**Nil**	Nil
The amount of interest paid by the Company in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**Nil**	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	**Nil**	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	**Nil**	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	**Nil**	Nil

32. Value of imports calculated on CIF basis

Particulars	**31-Mar-16**	31-Mar-15
Raw materials	**Nil**	Nil
Component and spare parts	**Nil**	Nil
Consumables	**Nil**	Nil
Capital goods	**94,763**	Nil
Total	**94,763**	Nil

33. Earnings in foreign currency (on accrual basis)

Particulars	**31-Mar-16**	31-Mar-15
Reimbursement of Expenses	**5,12,173**	5,29,204
Total	**5,12,173**	5,29,204

34. Expenditure in foreign currency (on accrual basis)

Particulars	**31-Mar-16**	31-Mar-15
Royalty	**73,06,318**	Nil
Total	**73,06,318**	Nil

35. Auditor's Remuneration

Particulars	**2015-16**	2014-15
As Auditor:		
Audit fee	**50,000**	50,000
Tax audit fees	**20,000**	20,000
Limited review	**Nil**	Nil
In other capacity:		
Taxation matters	**Nil**	Nil
Certification matters	**Nil**	Nil
Reimbursement of expenses	**Nil**	2,143

36. Cost of Bought Out Goods

Particulars	**2015 - 16 Rupees**	2014 - 15 Rupees
Fabricated Items	**7,40,95,172**	15,95,637
Mechanical / Electrical bought-out items etc.	**28,31,07,933**	12,93,745
Others	**2,14,26,495**	10,56,142
Total	**37,86,29,600**	39,45,524

37. Previous year's figures have been regrouped/ reclassified where necessary to conform to this year's classification.

As per our report of even date	For and on behalf of the Board			
For B.K.Khare & Co.	**Ravinder Advani**	**Torsten Andersch**	**Sanjay Parande**	
Chartered Accountants	Director	Director	Director	
Firm Registration No 105102W				
Naresh Kumar Kataria	**Mahesh Kulkarni**	**Ravi Shewade**	**Manohar Kansara**	**Mahesh Kakade**
Partner	Manager	Manager	CFO	Company Secretary
Membership No. 037825				
Pune: 29th April, 2016	Pune: 29th April, 2016			

Cash flow statement for the year ended March 31, 2016

(All amounts in Rupees, unless otherwise stated)

	March 31, 2016	March 31, 2015
Cash flow from operating activities		
Profit before tax	**2,31,152**	(2,11,50,138)
Non-cash adjustment to reconcile (loss) before tax to net cash flows		
Depreciation/ amortization	**3,04,509**	1,80,621
Dividend Received	**(21,61,877)**	(10,34,234)
Provision/ (reversal) for doubtful debts	**(82,97,819)**	(66,86,200)
Interest (income)	**(1,05,56,401)**	(1,03,33,880)
Operating (loss) before working capital changes	**(2,04,80,435)**	**(3,90,23,831)**
Movements in working capital :		
Increase/(decrease) in trade payables	**11,96,69,177**	88,41,270
(Decrease)/increase in provisions	**(91,52,774)**	(80,10,026)
Other long term liabilities	**-**	(2,39,937)
Increase in other liabilities	**2,75,48,133**	5,38,83,982
Long term Provisions	**45,84,328**	-
Decrease/(increase) in trade receivables	**(14,82,37,924)**	3,34,35,509
Other Current Assets	**7,98,858**	1,58,870
Increase / Decrease in loans and advances	**(71,32,149)**	(4,20,65,898)
Cash generated from/(used in) operations	**(3,24,02,786)**	**69,79,939**
Direct taxes paid (net of refunds)		
Net cash flow from/ (used in) operating activities (A)	**(3,24,02,786)**	**69,79,939**
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	**(3,98,497)**	(3,23,226)
Sales of investments	**17,71,00,000**	7,63,29,080
Purchase of investments	**(16,65,61,877)**	(8,43,48,017)
Dividend Received	**21,61,877**	10,34,234
Increase in balance in Fixed Deposits	**1,70,00,000**	(90,00,000)
Interest received	**1,05,56,401**	1,03,33,880
Net cash flow from/(used in) investing activities (B)	**3,98,57,904**	**(59,74,048)**
Cash flows from financing activities	**-**	**-**
Net cash flow from in financing activities (C)	**-**	**-**
Net increase in cash and cash equivalents (A + B + C)	**74,55,118**	10,05,891
Effect of exchange differences on cash and cash equivalents held in foreign currency		
Cash and cash equivalents at the beginning of the year	**27,37,227**	17,31,336
Cash and cash equivalents at the end of the year	**1,01,92,345**	**27,37,227**
Components of cash and cash equivalents		
Balances with banks	**1,01,92,345**	27,37,227
Total cash and cash equivalents (note 17)	**1,01,92,345**	**27,37,227**
Summary of significant accounting policies 2.1		

As per our report of even date	For and on behalf of the Board			
For B.K.Khare & Co.	**Ravinder Advani**	**Torsten Andersch**	**Sanjay Parande**	
Chartered Accountants	Director	Director	Director	
Firm Registration No 105102W				
Naresh Kumar Kataria	**Mahesh Kulkarni**	**Ravi Shewade**	**Manohar Kansara**	**Mahesh Kakade**
Partner	Manager	Manager	CFO	Company Secretary
Membership No. 037825				
Pune: 29th April, 2016	Pune: 29th April, 2016			

THERMAX BABCOCK & WILCOX ENERGY SOLUTIONS PRIVATE LIMITED

Board of Directors

Meher Pudumjee,Chairperson
M. S. Unnikrishnan
Ravinder Advani
Amitabha Mukhopadhyay
Rodney Carlson
D. Paul Scavuzzo
Mark Carano
Christopher Jones
Suhas Tuljapurkar
R. C. Shrivastav

Registered Office

Dhanraj Mahal, 2nd Floor, Chhatrapati Shivaji Maharaj Marg, Near Regal Cinema, Colaba, Mumbai- 400039. Maharashtra, India.

Corporate Office

ADISA ICON, Gat no 301/2/1,
Mumbai Bangalore Highway,
Opposite HEMRL,
Bavdhan Budruk, Pune – 411 021.

Auditors

B. K. Khare & Co.
706/707, Sharda Chambers, New Marine Lines,
Mumbai – 400020.

Key Managerial Personnel

Deepak Chopra
Chief Executive Officer

Bipeen Valame
Chief Financial Officer

Kedar P. Phadke
Company Secretary

Manufacturing Facility

Plot No. A-2 & A-3, Khandala Industrial Area, Phase-I, MIDC, Village Kesurdi, Tal, Khandala, Dist. Satara-412802, Maharashtra.

Bankers

ICICI Bank Ltd.
State Bank of India

DIRECTORS' REPORT

Dear Shareholders,

Your directors present their Sixth Annual Report together with the audited financial statements of your company for the year ended March 31, 2016.

FINANCIAL RESULTS

(Rs. in crore)

Particulars	**2015-16**	2014-15
Total income	358.07	46.21
Profit/(Loss) before depreciation & amortisation	(25.14)	(78.53)
Depreciation & Amortisation	(44.96)	(45.15)
Profit /(Loss) before tax	(70.10)	(123.68)
Provision for taxation (incl. deferred tax)	Nil	Nil
Profit/ (Loss) after tax	(70.10)	(123.68)

PERFORMANCE

Implementation of new thermal power projects has slowed down considerably on account of challenges in securing regulatory approval, required project linkages and lack of funding to the private sector.

Despite the UDAY initiative created by the Central government, the banking system in the country continues to suffer, owing to unprecedented levels of non-performing assets (NPAs) from the power sector. The state electricity generation companies with substantial debts on their balance sheets also were not forthcoming with new projects, barring four isolated projects, two of which were awarded on nomination basis to PSUs, and others requiring financing by equipment suppliers.

Tendering activity for boiler-island alone for thermal power plants within India remained feeble. Even those limited tenders invited had enhanced scope of additional work like civil structures, ash handling plants, electricals, etc., adding to higher levels of business risk. There were a few tenders for power plant EPC, which the company decided not to participate considering the long-term risk it may pose.

We expect the market activity to pick up going forward. The company intends to selectively pursue upcoming opportunities for new projects in the boiler island format as well as retrofits, driven by new environmental laws. It will also pursue opportunities to selectively participate in BTG bids by partnering with a turbine island supplier.

In the current year, TBWES registered revenues from orders received for design, engineering and manufacturing of pressure parts for supercritical boilers, for overseas orders won by its parent company B&W. The company will continue to make competitive offerings and enhance this partnership with B&W and its subsidiary company Volund.

Am also very pleased to mention that both partners decided to infuse equity capital into the company and pay off the loan, which was burdening the organisation with large interest component. Loan repayment procedure was completed in the month of April 2016.

HEALTH & SAFETY

The company has implemented a robust safety program in line with B&W EHS Management & OHSAS 18001 & ISO 14001 and there is a strong focus on Health, Safety and Environment (HSE).

A (Lock-out/Tag out) LOTO procedure has been implemented for all electrical equipment and machines at the Shirwal factory, as recommended by B&W EHS.

Regular HSE training sessions were conducted for all employees periodically covering various aspects of the manufacturing processes. Both class room as well as on-the-job formats are adopted along with related videos to make the training more effective.

The company has a documented inspection and audit procedure in place on a continual basis to identify and connect unsafe acts and conditions through rigorous audits and inspections by competent persons. In addition, a formal process of reporting accidents/ incidences, near misses and appropriate corrective and preventive actions has been instituted and adapted to local work conditions and culture.

The company has been appreciated by B&W in its Annual EHS Seminar for achieving "Target Zero" and awarded the B&W CEO award for best performing operations in the "large site" category.

The company has well established procedures for informing, instructing, intimating, cautioning employees and others regarding HSE matters through various communication media and processes.

In order to motivate employees on the subject of HSE, the company celebrated Environment Day/Week, Fire Fighting Day/Week, Road safety Day/Week and National Safety Day/Week conducting various competitions and recognizing participants for their contributions.

DIVIDEND

The directors do not recommend any dividend for the year.

FINANCE

In April 2016, both the JV partners infused equity of Rs. 352.63 crore (Thermax Rs. 179.84 crore and B&W Rs.172.79 crore). With the proceeds of the equity issue and available cash balance, the company has repaid its entire outstanding loan of Rs.

442.98 crore. Pursuant to this loan repayment, your company is a debt-free entity and will have no interest burden going forward. (Actual interest outflow in FY 15-16 is Rs. 55.37 crore).

DEPOSITS

The company has not accepted any deposits under Chapter V of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 are given in note no. 10 of the Financial Statements.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The company has constituted the Audit & Risk Committee in accordance with the provisions of the Companies Act, 2013 and thus direct access to the Chairman of the Audit & Risk Committee in exceptional or appropriate cases would be provided in the said mechanism. The Company has also instituted a strong compliance program with B&W's support that offers a reporting mechanism to all employees on a confidential basis.

PARTICULARS OF EMPLOYEES

The information required pursuant to section 197 read with rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the company, will be provided upon request. Any shareholder interested in obtaining such particulars may write to the Company Secretary up to the date of the Annual General Meeting.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed as "Annexure 1".

BUSINESS RISK MANAGEMENT

The company has instituted proven and established best practices for risk management, taken from its promoters. It utilizes a structured and documented project risk and opportunity management system to review bids for new business. Risk management and mitigation is an integral part of this process. It also tracks and manages identified risks through periodic reviews during project execution.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The company has an internal audit procedure and follows a three year rolling plan duly approved by the Audit & Risk Committee. The internal auditors conduct the internal audit on a quarterly basis and present the observations and recommendations to the Committee for implementation of improvements/ modification of controls, as needed. The company also has adequate policies for internal controls. The internal auditors have reviewed the adequacy of internal control systems commensurate with the nature and size of the business.

In the opinion of the Auditors, there are no findings which have significantly impacted the financial reporting.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

In accordance with the provisions of the Companies Act, 2013 and the company's Articles of Association, Mr. Amitabha Mukhopadhyay, Mr. Rodney Carlson and Mr. Paul Scavuzzo retire by rotation and being eligible offer themselves for re-appointment as director. Both independent directors have given Declaration of Independence, as required under section 149(6) of the Companies Act, 2013 and this has been recorded by the Board.

Key Managerial Personnel (KMP)

The Board has appointed following officials as KMP of the company in accordance with the Companies Act, 2013:

(i) Deepak Chopra, Chief Executive Officer

(ii) Bipeen Valame, Chief Financial Officer

(iii) Kedar P. Phadke, Company Secretary

Mr. Devang Trivedi resigned as the Company Secretary of your company with effect from August 26, 2015. Mr. Deepak Chopra was appointed as the Chief Executive Officer with effect from May 14, 2015 and Mr. Bipeen Valame & Mr. Kedar P. Phadke appointed as the Chief Financial Officer and the Company Secretary respectively with effect from August 26, 2015.

Board Meetings

During the year, the Board met four times on May 14, 2015, August 26, 2015, December 2, 2015 and March 2, 2016. The intervening gap between the meetings was less than 120 days, being the period prescribed under the Companies Act, 2013.

Board Evaluation

The Audit & Risk Committee and the Remuneration Committee were reconstituted as per the provisions of the Companies Act, 2013. The nomenclature of Remuneration Committee was changed to 'Nomination and Remuneration Committee' (NRC).

Pursuant to the provisions of the Companies Act, 2013, the Board Evaluation exercise is being carried out for the first time as per policy of NRC.

Remuneration Policy

The Nomination and Remuneration Committee has approved a policy for appointment and remuneration of directors and Key Managerial Persons. During the year, the company has not paid any remuneration to its directors.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 134 (3) (c) of the Companies Act, 2013, your directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, state that -

a) In the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed;

b) Appropriate accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on March 31, 2016 and of the profit of the company for the year ended on that date;

c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) The annual financial statements have been prepared on a going concern basis;

e) Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

f) Proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

BOARD COMMITTEES

Presently, the Board has the following three committees:

1. **Audit & Risk Committee**

   The committee comprises – Mr. Amitabha Mukhopadhyay (Chairman, committee), Mr. Suhas Tuljapurkar (independent director) and Mr. R. C. Shrivastav (independent director) as the members.

The committee met four times during the financial year 2015-16 on May 14, 2015, August 26, 2015, December 2, 2015 and March 2, 2016. The Statutory Auditors are permanent invitees and attend the meetings of the committee.

2. **Finance Committee**

The committee comprises four members - Mr. Amitabha Mukhopadhyay, Mr. Ravinder Advani, Mr. Paul Scavuzzo and Mr. Rodney Carlson. The committee met twice during the year on August 26, 2015 and December 2, 2015.

3. **Nomination & Remuneration Committee**

The committee comprises four members - Mr. Rodney Carlson (Chairman, committee), Mr. Amitabha Mukhopadhyay, Mr. Suhas Tuljapurkar and Mr. R. C. Shrivastav. The terms of reference of the committee are to identify persons who are qualified to become directors, review and approve remuneration of the directors and key managerial personnel appointed under the Act, from time to time.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the company at large.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure 2".

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the company and its future operations.

AUDITORS

Statutory Auditors

M/s. B. K. Khare & Co., Chartered Accountants, retire as statutory auditors of the company in the ensuing Annual General Meeting of the company and are eligible for reappointment.

Secretarial Auditor

In accordance with the provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed M/s. SVD & Associates, Company Secretaries, Pune to undertake the Secretarial Audit of the company. The Secretarial Audit Report is annexed herewith as "Annexure 3" and is self-explanatory.

ACKNOWLEDGEMENTS

Your directors wish to place on record their gratitude for the valuable assistance and cooperation extended to the company by its employees, bankers, customers, strategic partners and all the stakeholders. Your directors look forward to their continued support in the future as well.

For and on behalf of the Board

Place: Pune
Date: May 19, 2016

Meher Pudumjee
Chairperson

ANNEXURE - 1

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

[Section 134(3) (m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY

Initiatives at Works:

External area lighting is controlled by auto synchronous timers thereby switching lights on/off as per requirement during the night.

Production equipment auxiliary systems (Hydraulic/Pneumatic/Chillers/Panel coolers) are synchronised with machine on/off cycles. This has increased life of such systems/ equipment and reduced KWH consumption.

All the equipment mentioned above was installed with energy conservation equipment and fulfils this objective.

Initiatives at the Corporate Office:

Installed manually operated capacitor bank that maintains unit power factor, enabling the company to obtain incentives resulting in a lower power bill. Motion sensor controlled lights have been installed to avoid wastage of electricity in unoccupied areas. There is provision to switch off electricity and AC supply in unoccupied areas. The company saved approximately 22% electricity cost/month, compared to the earlier office at Pimpri. It has retained minimum lights in parking areas for security purposes and fixed sensor taps selectively, for avoiding water wastage. Security team ensures that lights and ACs are switched off upon office closing. Employees are encouraged to save energy.

B. TECHNOLOGICAL ABSORPTION

During the year under review, employees continued interaction with Babcock & Wilcox for adoption of technology to develop 660/800 MW unit size for the Indian market. In addition, several interactions took place on execution of export contracts received from the Licensor during the year. Various officials from B&W visited the company for discussions and reviews. The technology and skills transferred will continue to be absorbed until completion of manufacturing, supply, erection & commissioning of the first set of such boilers for the domestic market.

- **Expenditure on R&D**

  Not applicable at this stage.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pertaining to foreign exchange earnings and outgo, under section 134(3) (m) of the Companies Act, 2013 is given in note no. 35 to 36 of the financial statements.

For and on behalf of the Board

Place: Pune
Date: May 19, 2016

Meher Pudumjee
Chairperson

ANNEXURE 2

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

I.	CIN	:	U29253MH2010PTC204890
II.	Registration Date	:	26.06.2010
III.	Name of the Company	:	Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.
IV.	Category / Sub-Category of the Company	:	Private Company / Limited by shares
V.	Address of the Registered office and contact details	:	Dhanraj Mahal, 2nd Floor, Chhatrapati Shivaji Maharaj Marg, Near Regal Cinema, Colaba, Mumbai-400 039
VI.	Whether listed company	:	No
VII.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of steam or other vapour generating boilers and hot water boilers other than central heating boilers	25131	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the company	CIN/GLN	Holding /Subsidiary/ Associates	% of Shares held	Applicable section
1	Thermax Limited D-13, MIDC, Industrial Area, R.D. Aga Road, Chinchwad, Pune - 411 019	L29299MH1980PLC022787	Holding	51	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	%of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt (s)	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	196350000	196350000	51	-	247350000	247350000	51	0
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other (Relative of Director)	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	**-**	**196350000**	**196350000**	**51**	**-**	**247350000**	**247350000**	**51**	**0**
(2) Foreign									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	188650000	188650000	49	-	188650000	188650000	49	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**188650000**	**188650000**	**49**	**-**	**237650000**	**237650000**	**49**	**-**
Total share holding of Promoter (A)= (A)(1)+(A) (2)	**-**	**385000000**	**385000000**	**100**	**-**	**485000000**	**485000000**	**100**	**0**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	%of Total Shares	
B. Public Shareholding									
1. Institution									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt (s)									
d) State Govt (s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Any other									
Sub-total(B)(1):-									
2. Non- Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh				-------------------------------------NIL-------------------------------------					
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh									
c) Others (specify)									
- Directors Relative									
- Trusts									
- Foreign Bodies Corporate									
- Foreign Bodies-DR									
- Non Resident Indian									
- HUF									
- Clearing Members									
Sub-total(B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C) Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**-**	**385000000**	**385000000**	**100**	**-**	**485000000**	**485000000**	**100**	**0**

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholding at the end of the year (As on 31-03-2016)			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1	Thermax Limited	196350000	51	NIL	247350000	51	NIL	NIL
2	Babcock & Wilcox India Holdings Inc.	188650000	49	NIL	237650000	49	NIL	NIL
	TOTAL	**385000000**	**100**	**NIL**	**485000000**	**100**	**NIL**	**NIL**

iii) Change in Promoters' Shareholding: Total number of Equity Shares increased by 10,00,00,000.

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)		Shareholding at the end of the year (As on 31-03-2016)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	38,50,00,000	100	48,50,00,000	100
	Date wise Increase~~/Decrease~~ in Promoters Shareholding during the year specifying the reasons for increase/~~ decrease~~ (e.g. allotment/ ~~transfer / bonus/ sweat equity etc~~):	10,00,00,000 equity shares of Rs. 10/- each were allotted on March 2, 2016.			
	At the End of the year	48,50,00,000	100	48,50,00,000	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL

Sl. No.	Name of the shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total shares of the company				No. of shares	% of total shares of the company
-------------------------------------NIL-------------------------------------								

V. Shareholding of Directors and Key Managerial Personnel: NIL

Sl. No.	Name of the shareholder	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total shares of the company				No. of shares	% of total shares of the company
-------------------------------------NIL-------------------------------------								

VI. INDEBTEDNESS

Indebtedness of the company including interest outstanding /accrued but not due for payment

Amount in Rs. crore

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2015)				
i) Principal Amount	487.19	-	-	487.19
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.58	-	-	0.58
Total (i+ii+iii)	487.77	-	-	487.77
Change in indebtedness during the financial year				
Addition	18.82	-	-	18.82
Reduction	63.61	-	-	63.61
Net Change	-44.79	-	-	-44.79
Indebtedness at the end of the financial year (31.03.2016)				
i) Principal Amount	442.98	-	-	442.98
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	442.98	-	-	442.98

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Rs. in Crores
	---------------------NIL-------------------	

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount		
1.	Independent Directors								
	Fee for attending board/committee meetings	Suhas Tuljapurkar					Rs. 2,75,000		
	Commission	Nil							
	Others, please specify	Nil							
	Total(1)						Rs. 2,75,000		
2.	Other Non-Executive Directors/ Directors	Meher Pudumjee	M. S. Unnikrishnan	Ravinder Advani	Amitabha Mukhopadhyay	Rodney Carlson	D. Paul Scavuzzo	Mark Carano	Christopher Jones
	Fee for attending board	---------------------NIL-------------------							
	Committee meetings								
	Commission								
	Others, please specify								
	Rent for Premises								
	Security Deposit for Lease Premises								
	Total(2)								
	Total(B)=(1+2)	Rs. 2,75,000							
	Total Managerial (A+B) Remuneration	Rs. 2,75,000							
	Over all Ceiling as per the Act	Not applicable							

C. Remuneration to key managerial personnel other than MD/Manager/Whole Time Director

Sl. no.	Particulars of Remuneration	Key Managerial Personnel
I.	Deepak Chopra – CEO	
1.	Gross salary	
a)	Salary as per provisions contained in section 17(1) of the Income tax Act, 1961.	4.28 crore
b)	Value of perquisites u/s 17(2) Income taxAct,1961	
c)	Profits in lieu of salary under section 17(3) Income tax Act, 1961	
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	
	- as% of profit	Nil
	- Others, specify	Nil
5.	Others, please specify (Retrial Benefits)	Nil
	TOTAL	4.28 crore
II.	Bipeen Valame – CFO	
1.	Gross salary	
a)	Salary as per provisions contained in section 17(1) of the Income tax Act, 1961.	0.46 crore*
b)	Value of perquisites u/s 17(2) Income taxAct,1961	0.01 crore*
C)	Profits in lieu of salary under section 17(3) Income tax Act, 1961	
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	
	- as% of profit	Nil

Sl. no.	Particulars of Remuneration	Key Managerial Personnel
	- Others, specify	Nil
5.	Others, please specify (Retrial Benefits)	Nil
	TOTAL	0.47 crore*
III.	Kedar P. Phadke – Company Secretary	
1.	Gross salary	
a)	Salary as per provisions contained in section 17(1) of the Income tax Act, 1961.	0.14 crore*
b)	Value of perquisites u/s 17(2)Income taxAct,1961	Nil
c)	Profits in lieu of salary under section 17(3) Income tax Act, 1961	
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	
	- as% of profit	Nil
	- Others, specify	Nil
5.	Others, please specify (Retrial Benefits)	Nil
	Total	0.14 crore*
	***Appointed during the year.**	

VIII. Penalties /Punishment/ compounding of offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any (give details)
a) Company					
Penalty					
Punishment					
Compounding					
b) Directors					
Penalty					
Punishment			---------------------NIL-------------------		
Compounding					
c) Other Officers in Default					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

Place: Pune
Date: May 19, 2016

Meher Pudumjee
Chairperson

ANNEXURE 3

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Thermax Babcock & Wilcox Energy Solutions Private Limited

Dhanraj Mahal, 2nd Floor, Chhatrapati Shivaji Maharaj Marg,

Near Regal Cinema, Colaba, Mumbai – 400039.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Thermax Babcock & Wilcox Energy Solutions Private Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder **(in so far as they are made applicable);**

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder **(not applicable to the Company during the audit period);**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder **(not applicable to the Company during the audit period);**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(in so far as they are applicable to the Company);**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(not applicable to the Company during the audit period);**

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May, 2015) **(not applicable to the Company during the audit period);**

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(not applicable to the Company during the audit period);**

  (d) The Securities and Exchange Board of India (Share based employee Benefits) Regulations, 2014 (**not applicable to the Company during the audit period).**

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(not applicable to the Company during the audit period).**

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(not applicable to the Company during the audit period).**

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(not applicable to the Company during the audit period) and**

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(not applicable to the Company during the audit period).**

(vi) There are no other laws applicable specifically to the Company.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India effective from 1st July, 2015;

(ii) The Listing Agreements entered into by the Company with the Stock Exchange(s) **(not applicable to the Company).**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. *The Company has appointed Company Secretary and Chief Executive Officer on 14th May, 2015 and Chief Finance Officer w.e.f. 15th May, 2015. Prior to this appointment, the Company had no Key Managerial Personnel as required as per the provisions of the Companies Act, 2013.*

2. *The Company has appointed Independent Directors in the General Meeting held on 2nd December, 2015. During the absence of Independent Directors, the Audit Committee and Nomination and Remuneration Committee was not duly constituted and terms of reference of the committees were not as per the provisions of the Companies Act, 2013 and rules made thereunder upto 2nd December, 2015.*

3. *The Key Managerial Personnel appointed by the Board during the year are not based upon the recommendation of the Nomination and Remuneration Committee (as required u/s 178 (2) of the Act) since, the Nomination and Remuneration Committee was reconstituted on 2nd December, 2015. Further during the audit period, the Nomination and Remuneration Committee has not recommended a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees, to the Board, in accordance with the provisions of the Companies Act, 2013.*

4. *The Company has not appointed an Internal Auditor for Financial Year 2015-16 as required under the provisions of the Companies Act, 2013 and rules made thereunder and reporting compliances w.r.t the same.*

5. *The Company has failed to file Form DIR-12 for cessation of Manager w.e.f 14th May, 2015.*

We further report that

Subject to our comments above, the Board of Directors of the Company is duly constituted with Non -Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent in compliance with the provisions of the Act and Articles of Association of the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has issued and allotted the securities under rights issue in compliance with the provisions of the Act.

For SVD & Associates
Company Secretaries

S. V. Deulkar
Partner
FCS No. 1321
C P No. 965

Place: Pune
Date: 19th May, 2016

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

'ANNEXURE A'

To,

The Members,

Thermax Babcock & Wilcox Energy Solutions Private Limited

Dhanraj Mahal, 2nd Floor, Chhatrapati Shivaji Maharaj Marg,

Near Regal Cinema, Colaba, Mumbai – 400039.

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

1. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
2. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For SVD & Associates
Company Secretaries

S. V. Deulkar
Partner
FCS No. 1321
C P No. 965

Place: Pune
Date: 19th May, 2016

Independent Auditor's Report

To the Members of Thermax Babcock & Wilcox Energy Solutions Private Limited

Report on theFinancial Statements

1. We have audited the accompanying financial statements of Thermax Babcock & Wilcox Energy Solutions Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143(3) of the Act, we report that:

    a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

    d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

    e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;

    f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II" to this report;

    g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 22 to the financial statements;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B.K.Khare & Co.
Chartered Accountants
Firm's Registration Number 105102W

Naresh Kumar Kataria
Partner
Membership Number: 037825

Place: Pune,
Date: May 19, 2016

ANNEXURE I REFERRED TO IN PARAGRAPH 9 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(i) (b) All fixed assets have been physically verified by the management during the year at reasonable interval which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(i) (c) According to the information and explanations given by the management, the title deeds of immovable properties included in the Fixed Assets of the Company are held in the name of the Company.

(ii) According to the information and explanations given by the management, the inventory has been physically verified during the year at reasonable interval. No material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits to which the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed there under to the extent notified, are applicable. Therefore, Clause 3(v) of the Order is not applicable to the Company.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. None of these dues were outstanding as at the year end, for a period of more than six months from the date they became payable.

(vii) (b) There are no disputed dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added taxes which have not been deposited with the relevant authority.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer (including debt instruments) and term loans raised during the year were applied for the purposes for which those are raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For B.K.Khare & Co.
Chartered Accountants
Firm's Registration Number 105102W

Naresh Kumar Kataria

Place: Pune
Date: 19th May, 2016

Partner
Membership No.: 037825

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF THERMAX BABCOCK & WILCOX ENERGY SOLUTIONS PRIVATE LIMITED

Report on the Internal Financial Control sunder Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Thermax Babcock & Wilcox Energy Solutions Private Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the period from April 1, 2015 to March 31, 2016.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("ICAI") and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration No. 105102W

Naresh Kumar Kataria
Partner
Membership No. 037825
Pune, 19 May 2016

THERMAX BABCOCK & WILCOX ENERGY SOLUTIONS PRIVATE LIMITED

Balance Sheet as at 31st March 2016

Particulars	Note No	Rs in Crores As at March 31, 2016	Rs in Crores As at March 31, 2015
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
a. Share capital	1	**485.00**	385.00
b. Reserves and surplus	2	**(290.86)**	(230.26)
		194.14	154.74
2. Non-current liabilities			
a. Long-term borrowings	3	**-**	442.53
b. Long-term provisions	4	**7.96**	1.43
		7.96	443.96
3. Current liabilities			
a. Trade payables			
i. total outstanding dues of micro enterprises and small enterprises	5	**-**	-
ii. total outstanding dues of creditors other than micro enterprises and small enterprises	5	**38.40**	20.32
b. Other current liabilities	5	**845.91**	157.57
c. Short-term provisions	4	**19.47**	1.89
		903.78	179.78
TOTAL		**1105.88**	778.48
II ASSETS			
1. Non-current assets			
a. Fixed assets			
i. Tangible assets	6	**539.32**	572.87
ii. Intangible assets	7	**19.55**	24.51
iii. Capital work-in-progress		**0.23**	0.02
b. Long-term loans and advances	8	**44.35**	24.59
c. Trade receivables	9	**-**	-
d. Other non-current assets	13	**24.00**	24.00
		627.45	645.99
2. Current assets			
a. Current investments	10	**58.38**	17.36
b. Inventories	11	**14.86**	23.80
c. Trade receivables	9	**16.81**	2.48
d. Cash and cash equivalents	12	**126.70**	51.93
e. Short-term loans and advances	8	**13.00**	11.28
f. Other current assets	13	**248.68**	25.64
		478.43	132.49
TOTAL		**1,105.88**	778.48
Notes to the financial statements	21		

The accompanying notes are an integral part of the financial statements.

Profit and loss statement for the year ended March 31, 2016

	Particulars	Note No	Rs in Crores Year ended March 31, 2016	Rs in Crores Year ended March 31, 2015
	Income			
I	Revenues from operations (gross)		**351.83**	45.69
II	Less : excise duty		**2.99**	5.84
III	Revenues from operations (net)	14	**348.84**	39.85
	Other income	15	**9.23**	6.36
	Total income (I)		**358.07**	46.21
IV	**Expenses :**			
	Cost of raw materials and components consumed	16	**200.23**	19.83
	Employee benefits expense	17	**35.73**	26.94
	Finance costs	18	**55.37**	52.34
	Depreciation and amortisation expense	19	**44.96**	45.15
	Other expenses	20	**91.88**	25.63
	Total expenses (II)		**428.17**	169.89
V	**Loss before tax (I-II)**		**(70.10)**	(123.68)
VI	**Tax expense:**			
	1. Current tax		**-**	-
	2. Deferred tax		**-**	-
	Total tax expense		**-**	-
IX	**Loss after tax**		**(70.10)**	(123.68)
	Basic and diluted earnings per equity share [nominal value Rs. 10/- (Previous year: Rs. 10/-) Computed on the basis of total profit for the year		**(1.78)**	(3.21)
	Notes to the financial statements	21		

The accompanying notes are an integral part of the financial statements.

As per our even date report
For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

For and on behalf of the board of directors of
Thermax Babcock & Wilcox Energy Solutions Private Ltd

Naresh Kumar Kataria
Partner
Membership No. 037825

Amitabha Mukhopadhyay
Director

Ravinder Advani
Director

Deepak Chopra
Chief Executive Officer

Bipeen Valame
Chief Financial Officer

Kedar Phadke
Company Secretary

Place : Pune
Date : 19th May 2016

Place : Pune
Date : 19th May 2016

As per our even date report
For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

For and on behalf of the board of directors of
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Chief Financial Officer

Kedar Phadke
Company Secretary

Place : Pune
Date : 19th May 2016

Place : Pune
Date : 19th May 2016

Cash flow statement for the year ended March 31, 2016

	Particulars	Rs in Crores Year ended March 31, 2016	Rs in Crores Year ended March 31, 2015
A.	**Cash Flow from Operating Activities**		
	Profit before tax	**(70.10)**	(123.68)
	Adjustment to reconcile profit before tax to net cash flow		
	Depreciation/ amortization	**44.96**	45.15
	(Profit) /Loss on sale of fixed assets	**0.12**	0.05
	Unrealized foreign exchange loss / (gain)	**(0.11)**	(0.88)
	Provision/ (reversal) for rework charges	**17.80**	-
	Provision/ (reversal) for warranties	**6.22**	0.55
	Interest expense	**55.37**	52.34
	Interest / Dividend (income)	**(8.99)**	(6.36)
	Operating profit before working capital changes	**45.27**	(32.83)
	Movements in working capital :		
	Increase/(decrease) in trade payables	**18.08**	(1.46)
	(Decrease)/ increase in provisions	**0.09**	(0.16)
	(Decrease)/ increase in other liabilities	**290.91**	78.05
	Decrease/(increase) in trade receivables	**(14.33)**	(2.25)
	(Increase)/decrease in inventories	**8.94**	(16.09)
	(Increase)/decrease in loans and advances	**(233.51)**	(28.75)
	Cash generated from/(used in) operations	**115.45**	(3.49)
	Direct taxes paid (net of refunds)	**(0.52)**	(1.18)
	Net cash flow from/ (used in) operating activities (A)	**114.93**	(4.67)
B.	**Cash flows from investing activities**		
	Purchase of fixed assets, including CWIP and capital advances	**(7.67)**	(36.22)
	Proceeds from sale of fixed assets*	**0.90**	0.10
	Sales of investments	**-**	53.03
	Purchase of investments	**(41.02)**	-
	Interest / Dividend received	**7.79**	6.36
	Net cash flow (used in) investing activities (B)	**(40.00)**	23.27
C.	**Cash flows from financing activities**		
	Proceeds from issue of equity shares	**100.00**	-
	Proceeds from long term borrowings	**-**	59.99
	Repayment of short term borrowings (net)	**(44.21)**	-
	Interest paid	**(55.95)**	(52.15)
	Net cash flow from in financing activities (C)	**(0.16)**	7.84
	Net increase in cash and cash equivalents (A + B + C)	**74.77**	26.44
	Effect of exchange differences on cash and cash equivalents held in foreign currency	**-**	-
	Cash and cash equivalents at the beginning of the year	**51.93**	25.49
	Cash and cash equivalents at the end of the year	**126.70**	51.93
D.	**Components of cash and cash equivalents**		
	Balances with banks	**96.70**	51.93
	Cheques, drafts on hand	**-**	-
	Cash on hand	**-**	-
	Short term Deposits	**30.00**	-
	Total cash and cash equivalents (note 12)	**126.70**	51.93

* Includes decapitalisation of CVD amounting to Rs. 0.79 Cr

As per our even date report
For B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

For and on behalf of the board of directors of
Thermax Babcock & Wilcox Energy Solutions Private Ltd

Naresh Kumar Kataria
Partner
Membership No. 037825

Amitabha Mukhopadhyay
Director

Ravinder Advani
Director

Deepak Chopra
Chief Executive Officer

Bipeen Valame
Chief Financial Officer

Kedar Phadke
Company Secretary

Place : Pune
Date : 19th May 2016

Place : Pune
Date : 19th May 2016

Notes attached to and forming part of financial statements

Particulars	Rs in Crores As at March 31, 2016	Rs in Crores As at March 31, 2015
Note 1		
Share capital		
Authorized shares (Nos)	**500.00**	400.00
500,000,000 (Previous year 400,000,000) equity shares of Rs. 10/- each.		
	500.00	400.00
Issued, subscribed and fully paid share capital (Nos)	**485.00**	385.00
485,000,000 (Previous year 385,000,000) equity shares of 10/- each.		
	485.00	385.00

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity Shares	As at March 31, 2016 No. of shares	As at March 31, 2016 Amount	As at March 31, 2015 No. of shares	As at March 31, 2015 Amount
Shares outstanding at the beginning of the year	385,000,000	385.00	385,000,000	385.00
Add: Shares issued during the year	100,000,000	100.00	-	-
Shares outstanding at the end of the year	485,000,000	485.00	385,000,000	385.00

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Equity shares held by holding company

	March 31, 2016	March 31, 2015
Thermax Limited	**247.35**	196.35
247,350,000 (Previous year: 196,350,000) equity shares of 10/- each fully paid		
Total	**247.35**	196.35

d) (d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of shareholder	As at March 31, 2016 %	As at March 31, 2016 No. of shares	As at March 31, 2015 %	As at March 31, 2015 No. of shares
Thermax Limited	51.00	247,350,000	51.00	196,350,000
Babcock & Wilcox India Holdings Inc. USA	49.00	237,650,000	49.00	188,650,000

Particulars		Rs in Crores March 31, 2016	Rs in Crores March 31, 2015
Note 2			
Reserves and surplus			
Hedging Reserve			
Balance as per last financial statement		**5.16**	**-**
Add: Arising during the year		**9.50**	5.16
Closing balance	(A)	**14.66**	**5.16**
Surplus/(Deficit) in Statement of profit and loss			
Balance as per last financial statement		**(235.42)**	(111.74)
Add: Loss for the year		**(70.10)**	(123.68)
	(B)	**(305.52)**	(235.42)
Total	**(A+B)**	**(290.86)**	(230.26)

Notes attached to and forming part of financial statements
(All amounts in Rs. Crores, unless otherwise stated)

	Non-current portion		Current maturities	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Note 3				
Long-Term Borrowings				
Term loans				
Secured loan from banks (refer note 37)	-	442.53	**442.98**	44.66
Total	-	442.53	**442.98**	44.66
The above amount includes				
Amount disclosed under the head "Other current liabilities" (note 5)	-	-	**442.98**	44.66
Net amount	-	442.53	-	-

	Long term		Short-term	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Note 4				
Provisions				
Provision for employee benefits				
Provision for gratuity (note 25)	**0.69**	0.40	**-**	-
Provision for Superannuation	**0.37**	0.35	**-**	-
Provision for LTA & Medical	**-**	-	**0.70**	0.61
Provision for leave encashment	**-**	-	**0.97**	1.28
	1.06	0.75	**1.67**	1.89
Other provisions				
Provision for warranties (note 30)	**6.90**	0.68	**-**	-
Provision for rework charges*	**-**	-	**17.80**	-
	6.90	0.68	**17.80**	-
Total	**7.96**	1.43	**19.47**	1.89

* Represents the amount payable to related party (Previous Year Nil)

	Long term		Short-term	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Note 5				
Trade Payables and other liabilities				
Trade payables				
a. total outstanding dues of micro enterprises and small enterprises (note 32 for details of dues to micro and small enterprises)	-	-	**-**	-
b. total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	**38.40**	20.32
	-	-	**38.40**	20.32
Other Liabilities				
Current maturities of long-tem borrowings (note 37)	-	-	**442.98**	44.66
Interest accrued but not due on loans	-	-	**-**	0.58
Customer advances	-	-	**391.61**	106.08
Statutory dues and other liabilities*	-	-	**1.85**	1.04
Other payables**	-	-	**9.47**	5.21
	-	-	**845.91**	157.57
Total	-	-	**884.31**	177.89

* includes tax deducted at source, provident fund, profession tax, service tax payable, etc

** includes payables for Capex creditors, outstanding expenses, provision for staff incentive, LTA, Medical etc

Note 6
Tangible assets

	Land - leasehold	Buildings	Plant and equipment	Office Equipments	Computers	Furniture and fixtures	Vehicles	Total
Cost or valuation								
At 01 April 2014	**45.49**	**248.29**	**287.88**	**2.47**	**2.16**	**1.56**	**1.71**	**589.57**
Additions	-	15.22	16.27	2.28	0.62	0.27	0.31	34.97
Disposals							(0.20)	(0.20)
At 31 March 2015	**45.49**	**263.51**	**304.15**	**4.75**	**2.78**	**1.83**	**1.82**	**624.33**
Additions	-	4.44	1.55	0.22	0.47	0.03	0.47	7.18
Disposals/Adjustments *	-	-	(0.79)	-	-	-	(0.35)	(1.14)
At 31 March 2016	**45.49**	**267.95**	**304.91**	**4.97**	**3.25**	**1.86**	**1.94**	**630.37**
Depreciation								
At 01 April 2014	**1.58**	**2.23**	**4.67**	**0.06**	**1.48**	**0.40**	**0.27**	**10.69**
Charge for the year	0.48	8.58	30.06	0.74	0.18	0.62	0.17	40.82
Disposals							(0.05)	(0.05)
At 31 March 2015	**2.06**	**10.80**	**34.73**	**0.80**	**1.67**	**1.02**	**0.39**	**51.46**
Charge for the year	0.29	8.16	30.83	0.06	0.15	0.06	0.16	39.71
Disposals/Adjustments	-	-	-	-	-	-	(0.12)	(0.12)
At 31 March 2016	**2.35**	**18.96**	**65.56**	**0.86**	**1.82**	**1.08**	**0.43**	**91.05**
Net Block								
At 31 March 2015	**43.43**	**252.71**	**269.42**	**3.95**	**1.11**	**0.81**	**1.43**	**572.87**
At 31 March 2016	**43.14**	**248.99**	**239.35**	**4.11**	**1.43**	**0.78**	**1.51**	**539.32**

Note: The value of Buildings included in tangible assets are constructed on leasehold land.

* Adjustment in Plant & Machinery includes decapitalisation of CVD amounting to Rs. 0.79 Crores.

Notes attached to and forming part of Financial Statements
(All amounts in Rs. Crores, unless otherwise stated)

	Computer software	Technical know-how	Total
Note 7			
Intangible Assets			
Gross block			
At 01 April 2014	**3.40**	**37.35**	**40.75**
Additions	0.99	0.24	1.23
Disposals	-	-	-
At 31 March 2015	**4.39**	**37.59**	**41.98**
Additions	0.28	-	0.28
Disposals	-	-	-
At 31 March 2016	**4.67**	**37.59**	**42.26**
Amortization			
At 01 April 2014	**1.64**	**11.50**	**13.14**
Charge for the year	0.57	3.76	4.33
Disposals	-	-	-
At 31 March 2015	**2.21**	**15.26**	**17.47**
Charge for the year	1.52	3.73	5.25
Disposals	-	-	-
At 31 March 2016	**3.73**	**18.99**	**22.72**
Net Block			
At 31 March 2015	**2.18**	**22.33**	**24.51**
At 31 March 2016	**0.94**	**18.60**	**19.55**

	Long term		Short-term	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Note 8				
Loans and Advances				
Unsecured, considered good				
Security deposits	**2.57**	3.36	-	-
Advances recoverable in cash or kind	-	-	**9.89**	9.48
	2.57	3.36	**9.89**	9.48
Other loans and advances				
Advance income-tax (net of provision for taxation)	-	-	**1.73**	1.21
Prepaid Expense	-	-	**1.09**	0.58
Sales tax recoverable	**13.77**	8.88	-	-
Balance with excise and customs	**28.01**	12.35	-	-
Advances to staff and workers	-	-	**0.29**	0.01
	41.78	21.23	**3.11**	1.80
Total	**44.35**	24.59	**13.00**	11.28

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Note 9				
Trade receivable				
Outstanding for a period exceeding six months from the date they are due for payment	-	-	-	-
Other receivables				
Secured, considered good	-	-	-	-
Unsecured, considered good*	-	-	16.81	2.48
	-	-	**16.81**	2.48

(* includes Rs. 16.81 (Previous Year Rs.Nil) from related parties)

	March 31, 2016	March 31, 2015
Note 10		
Current Investments		
Non Trade Investments in Mutual Funds (Quoted)	**58.38**	17.36
Total	**58.38**	17.36

Name of Investment	As at March 31, 2016 No of units	Cost	Market Value
ICICI Prudential Money Market -Daily Dividend Reinvestment	4,20,627	**4.21**	4.21
ICICI Prudential Money Market- Direct Plan -Daily Dividend Reinvestment	4,00,445	**4.01**	4.01
Kotak Liquid Scheme Plan A- Direct Plan-Daily Dividend Reinvestment	1,13,977	**13.94**	13.94
DSP Blockrock Liquidity Fund- Direct Plan-Daily Dividend Reinvestment	52,597	**5.26**	5.26
AXIS Liquid Fund-Direct Plan-Daily Dividend Reinvestment	2,02,461	**20.25**	20.26
HDFC Liquid Fund- Direct Plan -Daily Dividend Reinvestment	1,04,984	**10.71**	10.71
Total		**58.38**	58.39

Name of Investment	As at March 31, 2015 No of units	Cost	Market Value
UTI-Liquid Cash Plan-Institutional Daily Dividend Reinvestment	19,772	2.02	2.02
Birla Sun Life Floating Rate Short Term Plan-Daily Dividend-Drect Plan-Reinvested	904,612	9.05	9.05
ICICI Prudential Money Market Fund-Regular Plan-Daily Dividend	311,737	3.12	3.12
Kotak Liquid Scheme Plan A - Daily Dividend (Regular Plan)	25,923	3.17	3.17
SBI Premier Liquid Fund-Regular Plan-Daily Dividend	3	-	-
Total		17.36	17.36

	March 31, 2016	March 31, 2015
Note 11		
Inventories (valued at lower of cost and net realizable value)		
Raw materials, components and bought-outs [includes goods in transit amounting to Rs. 1.05 crore (Previous year Rs. 0.93 crore)]	**14.86**	23.80
Total	**14.86**	23.80

	Current	
	March 31, 2016	March 31, 2015
Note 12		
Cash and bank balance		
Cash and cash equivalents		
Balances with banks		
- on current accounts	**6.90**	7.36
- on deposits with original maturity of less than three months	**89.80**	-
Cash on hand	-	-
	96.70	7.36
Other Bank Balance		
- on deposits with remaining maturity for more than 12 months	**24.00**	24.00
- on deposits with remaining maturity less than 12 months	**30.00**	44.57
	54.00	68.57
Less: Amounts disclosed under non-current assets (note 13)	**(24.00)**	(24.00)
Total	**126.70**	51.93

Notes attached to and forming part of Financial Statements
(All amounts in Rs. Crores, unless otherwise stated)

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Note 13				
Other assets				
Unsecured, considered good unless stated otherwise				
Non-current bank balance (note 12)	24.00	24.00	-	-
Unbilled revenue (note 24)	-	-	**230.70**	18.73
Interest accrued on fixed deposits	-	-	**2.06**	0.86
Forward contract receivable	-	-	**15.92**	6.05
Total	**24.00**	24.00	**248.68**	25.64

	March 31, 2016	March 31, 2015
Note 14		
Other assets		
Revenue from operations (net)		
Sale of project revenue	**340.28**	35.39
Sale of services	**1.80**	0.50
Other operating revenues		
Export incentives	**0.41**	-
Sale of scrap	**0.46**	0.41
Exchange fluctuation gain (net)	**5.45**	3.45
Miscellaneous income	**0.44**	0.10
Total	**6.76**	3.96
Revenue from operations	**348.84**	39.85

Details of sale of project revenue

	March 31, 2016	March 31, 2015
Boilers & parts thereof	**340.28**	35.39
	340.28	35.39

Details of sale of services

	March 31, 2016	March 31, 2015
Job work charges	**1.80**	0.50
	1.80	0.50

	March 31, 2016	March 31, 2015
Note 15		
Other Income		
Interest Income		
Bank deposits	**5.19**	4.30
Dividend income		
Current investment	**3.80**	2.06
Liabilities no longer required written back	**0.04**	-
Miscellaneous income	**0.20**	-
	9.23	6.36

	March 31, 2016	March 31, 2015
Note 16		
Cost of raw material and components consumed (note 33)		
Inventory at the beginning of the year	**23.80**	6.53
Add: Purchases	**191.29**	37.10
	215.09	43.63
Inventory at the end of the year	**14.86**	23.80
	200.23	19.83

Details of raw material and components consumed

	March 31, 2016	March 31, 2015
Ferrous tubes, pipes, plates, welding consumables etc	**200.23**	19.83
	200.23	19.83

	March 31, 2016	March 31, 2015
Note 17		
Employee benefits expense		
Salaries and wages	**32.46**	23.98
Contribution to provident and other funds	**1.52**	1.38
Gratuity expense (note 25)	**0.36**	0.64
Staff welfare expenses	**1.39**	0.94
	35.73	26.94

	March 31, 2016	March 31, 2015
Note 18		
Finance costs		
Interest expense on term loans	**55.37**	52.34
	55.37	52.34

	March 31, 2016	March 31, 2015
Note 19		
Depreciation and amortization expense		
Depreciation of tangible assets	**39.71**	40.82
Amortization of intangible assets	**5.25**	4.33
	44.96	45.15

Notes attached to and forming part of Financial Statements
(All amounts in Rs. Crores, unless otherwise stated)

	March 31, 2016	March 31, 2015
Note 20		
Other expenses		
Consumption of stores and spare parts	**6.66**	0.27
Power and fuel	**4.44**	2.11
Site Exp & Contract Labour Charges	**19.99**	7.00
Freight and forwarding charges	**10.37**	-
Drawing, design and technical service charges	**7.93**	1.60
Rework charges	**17.80**	-
Provision for warranty charges	**6.22**	0.55
Advertisement and sales promotion	**0.28**	0.29
Rent (note 28)	**3.05**	2.24
Rates and taxes	**1.09**	1.01
Insurance	**0.74**	0.48
Repairs and maintenance		
Plant andmachinery	**0.25**	0.44
Buildings	**1.38**	0.17
Others	**1.14**	0.77
Traveling and conveyance	**2.25**	1.49
Legal and professional fees	**4.49**	3.54
Director sitting fees	**0.03**	-
Payment to auditor (refer details below)	**0.08**	0.08
Loss on sale / discard of assets (net)	**0.12**	0.05
Miscellaneous expenses (includes printing, communication, postage, security expense, etc.)	**3.57**	3.54
	91.88	25.63

Payment to auditors

	March 31, 2016	March 31, 2015
As auditor :		
Audit fee	0.06	0.06
Tax audit fee	0.02	0.02
	0.08	0.08

Note 21

1. **Corporate information**

Thermax Babcock & Wilcox Energy Solutions Private Limited (the "Company") is a company domiciled in India. It is a joint venture between Thermax Limited, Pune, India and Babcock & Wilcox India Holdings Inc; USA. The Company is engaged in designing, engineering, fabrication, supply, erection, commissioning of subcritical and supercritical boilers. The Company caters to both domestic and international markets.

2. **Basis of preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with notified accounting standards referred to in Section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standard) Amendment Rules, 2016. The financial statements have been prepared on accrual basis under the historical cost convention, except for derivative financial instruments which have been measured at fair value.

All Assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of products and services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 **Summary of significant accounting policies**

a) **Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reported period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) **Plant, Property and Equipment**

Plant, property and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. All repair and maintenance costs are recognised in profit or loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

No separate identifiable component based on internal technical valuation report.

c) **Depreciation on property, plant and equipment**

Cost incurred on Leasehold land is amortized over the period of lease.

Depreciation on Buildings, Plant & Machinery, Furniture & Fixtures, Air Conditioners, Office Equipment, Electrical Installation at Factory and Administrative Office is provided by the Straight Line Method at the rates and in the manner prescribed by Schedule II to the Companies Act, 2013.

The management has carried out an estimation of the useful lives of fixed assets based on internal and external technical evaluation. Based on such evaluation, in respect of the following categories of fixed assets, useful life differs from that specified in the Schedule II to the Companies Act 2013

Asset Category	Company's Estimate of Useful Life (Years)
Office Equipment	15
Computer Hardware (Desktops & Laptops)	4 – 6
Plant and Machinery	10 – 25
Vehicles	10
Furniture & Fixtures	15
Factory Building – Roads	30

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.
Intangible assets are amortized on a straight line basis over the estimated

useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. All intangible assets (including not yet available for use) are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

A summary of amortization rates applied to the Company's intangible assets is as below:

	Rates
Technical know how	10%
Computer software	33.33%

e) Leases

Where the Company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

f) Borrowing costs

Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings.

g) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

In determining the asset value in use, the Company prepares detailed budgets and forecast calculations for each cash-generating unit to which the individual assets are allocated.

h) Investments

Investments which are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i) Inventories

Raw materials, components, stores and spares are valued at lower of cost and estimated net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components, consumables, tools, stores and spares is arrived at on the basis of weighted average cost.

j) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Liability on account of the Company's obligation under the employees' superannuation fund, a defined contribution plan, is charged to the statement of profit and loss on the basis of the plan's liability to contribute.

The Company operates a defined benefit plan, viz. gratuity. The cost of providing benefit under this plan is determined on the basis of actuarial valuation at each year end using the projected unit credit method. Actuarial gains and losses for defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet as it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Liability on account of the Company's obligation under the employee's medical reimbursement scheme and leave travel assistance is charged to the statement of profit and loss at the undiscounted amount of such liability.

Liabilities on account of the Company's obligations under statutory regulations and employees' short term incentive plan, as applicable, are charged to the statement of profit and loss at the undiscounted amount of each liability.

k) Provisions

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimates can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

l) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

m) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of good is recognised when all the significant risks and rewards of ownership of the goods have passed on to buyer, usually on delivery of goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Income from services

Revenues from service contracts are recognized as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Contract revenue

Contract revenue in respect of projects for construction of plants and systems, involving designing, engineering, fabrication, supply, erection (or supervision thereof), commissioning, guaranteeing performance thereof etc., execution of which is spread over different accounting periods is recognized on the basis of percentage of completion method. Determination of revenues under the percentage of completion method necessarily involves making estimates by the management (some of which are of a technical nature) of the expected costs to completion, the expected revenues from each contract (adjusted for probable liquidated damages, if any) and the foreseeable losses to completion. When it is probable that the total contract costs will exceed the total contract revenue, the expected loss is recognised as an expense immediately.

Supply of spare parts and services are accounted for on ‘as billed’ basis.

Revenue in respect of long-term service contracts and maintenance contracts is recognised on the basis of stage of completion or time proportion whichever is more appropriate.

Dividend

Dividend income is recognized when the Company’s right to receive is established by the reporting date.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

n) Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the respective dates of the transactions.

Exchange differences arising on settlement of transactions in foreign currency are recognised in the Profit & Loss Account.

Assets and liabilities denominated in foreign currency are translated at the closing exchange rates.

The Company uses foreign exchange forward contracts to hedge its risks associated with foreign currency fluctuations to underlying transactions and for firm commitments. The order values in respect of export orders have been re-valued as per closing exchange rates.

Foreign currency monetary item balances in the balance sheet are translated at the closing exchange rates and the resulting exchange difference is recognized in the statement of profit and loss.

o) Derivative instruments and hedge accounting

The company uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations. In terms of the risk management strategy, the company does not use forward cover contracts for trading or speculative purposes. Foreign currency forward contracts are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of such contracts, for cash flow hedges, which are designated and effective, are recorded in the Hedging Reserve account. The accumulated changes in fair value recorded in the hedging reserve account are transferred to the statement of profit and loss in the same period during which the underlying transactions affect statement of profit and loss and / or the foreign currency forward contract expires or is exercised, terminated or no longer qualifies for hedge accounting.

p) Income taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961 enacted in India and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years.

Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

q) Segment reporting

Primary segments

Based on the guiding principles given in the Accounting Standard-17 “Segment Reporting” issued by the Institute of Chartered Accountants of India, the Company is operating in a single business segment, viz Energy.

Secondary Segment:

Secondary segments have been identified with reference to geographical location of external customers. Composition of secondary segments is as follows:

a. India

b. North America

c. Europe

d Others

r) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

22. Contingent liability and capital commitments

a) Contingent Liabilities

Particulars	**March 31, 2016**	**March 31, 2015**
Bank Guarantees (refer note i below)	54.85	91.75
Income Tax demand (refer note ii below)	Nil	Nil
Liability for export obligations	19.92	34.16
Total	**74.77**	**125.91**

i. Bank Guarantees provided to third parties as security for bid documents Rs. 37.10 Crores (Previous Rs. 73.86 Crores). Bank guarantees issued to statutory authorities Rs. 17.75 Crores (Previous Year: 17.89 Crores)

ii. Income Tax

The Company has received an assessment order u/s 143(3) r.w.s. 144C(1) of Income Tax Act, 1961, for AY 2011-12 adding back arm's length adjustment of Rs 8.66 Crores pursuant to directions of Hon'able DRP. The assessing officer has also disallowed Rs 0.08 Crores u/s 14A. The adjustment has resulted in reduction in accumulated losses by Rs. 8.74 Crores. The Assessing Officer has also issued a show cause notice u/s 274 r.w.s. 271(1)(c). The Company has filed an appeal in ITAT against the said order. Based on the advice obtained from tax consultant, the Company's management does not expect any outflow in respect of this order.

The Company has received an assessment order u/s 143(3) r.w.s. 144C(3) of Income Tax Act, 1961, for AY 2012-13 adding back arm's length adjustment of Rs 11.61 Crores. The assessing Officer has also disallowed Rs 0.11 Crores u/s 14A. The adjustment has resulted in reduction in accumulated losses by Rs. 11.73 Crores. The Assessing Officer has also issued a show cause notice u/s 274 r.w.s. 271(1)(c). The Company has filed an appeal with CIT(A) against the said order. Based on the advice obtained from tax consultant, the Company's management does not expect any outflow in respect of this order.

b) Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs. 0.38 Crores (Previous year Rs. 22.70 Crores)

23. The net worth of the Company is significantly eroded as at 31 March 2016 consequent to losses incurred. The Board of Directors of the Company through resolution dated 1 April 2016 have approved investment of Rs. 352.63 Crores through a rights issue of equity shares to existing shareholders in proportion of their shareholding. Accordingly, the existing shareholders infused Rs. 352.63 Crores into the Company during April 2016 in proportion of their respective shareholding.

The Company continued to get export orders from B&W, USA during the financial year and continues to enjoy financial support from the equity shareholders to meet its financial obligations. Further, the management expects improvement in operations going forward. Having regard to the same, the accounts have been prepared on going concern basis.

24. Disclosure pursuant to Accounting Standard (AS) -7

Particulars	**March 31, 2016**	**March 31, 2015**
Contract revenue recognised during the year	340.28	35.39
Aggregate amount of contract costs incurred and recognised profits (less recognised losses)	391.20	34.46
Customer advance outstanding for contract in progress	391.61	106.08
Retention money due from customers for contracts in progress.	NIL	NIL
Gross amount due from customers	230.70	18.73
Gross amount due to customers	NIL	NIL

25. Employee benefits

The Company operates a defined benefit plan viz. gratuity for its employees. Under the gratuity plan, every employee who has completed at least specified years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each year of service. The scheme is funded with an insurance Company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet.

i) Net employee benefit expense recognized in the employee cost

Particulars	**March 31, 2016**	**March 31, 2015**
Current service cost	0.25	0.23
Acquisition (Gain)/ Loss	0.09	-
Interest cost on benefit obligation	0.19	0.14
Expected return on plan assets	(0.17)	(0.15)
Net actuarial (gain)/loss	(0.01)	0.42
Net benefit expense recognised	**0.35**	**0.64**

ii) Changes in fair value of plan assets and obligations

Particulars	**March 31, 2016**	**March 31, 2015**
Present value of defined benefit obligation	2.76	2.38
Less: Fair value of plan assets	2.07	1.98
Liability recognised	**0.69**	**0.40**

iii) Changes in the present value of the defined benefit obligation are as follows:

Particulars	March 31, 2016	March 31, 2015
Opening defined benefit obligation	2.38	1.81
Acquisition adjustment	0.09	-
Interest cost	0.19	0.14
Current service cost	0.25	0.23
Benefits paid	(0.13)	(0.24)
Actuarial (gains)/losses on obligation	(0.02)	0.45
Closing defined benefit obligation	**2.76**	**2.38**

iv) Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2016	March 31, 2015
Opening fair value of plan assets	1.98	1.53
Expected return	0.17	0.15
Actuarial gains/(losses)	(0.01)	0.03
Contributions by employer	0.06	0.52
Benefits paid	(0.13)	(0.24)
Closing fair value of plan assets	**2.07**	**1.98**

The Company expects to contribute ₹ 0.84 Crores to the gratuity fund in the next year. (Previous year: Rs 0.07 Crores)

v) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2016	March 31, 2015
Investments with insurer	100%	100%

vi) The principal assumptions used in determining gratuity for the Company's plan is shown below:

Particulars	March 31, 2016	March 31, 2015
Discount rate	8.00%	8.00%
Expected rate of return on assets	9.00%	9.00%
Normal retirement age	60 years	60 years
Salary escalation rate	7% p.a.	7% p.a.
Mortality Table	2006-08 Ultimate	2006-08 Ultimate
Employee turnover		
Age up to 30 years	10% p.a.	10% p.a.
Age 31-40 years	10% p.a.	10% p.a.
Age 41-50 years	10% p.a.	10% p.a.
Age above 50 years	10% p.a.	10% p.a.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the interest rate prevailing in the market on that date, applicable to the period over which the obligation is to be settled.

vii) Amounts for the current year and previous four years are as follows:

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	2.76	2.38	1.81	1.43	1.14
Plan assets	2.07	1.98	1.53	1.54	0.04
Surplus/(Deficit)	(0.69)	(0.40)	(0.28)	0.11	(1.10)
Experience adjustments on plan liabilities	(0.02)	0.45	0.13	0.04	-
Experience adjustments on plan assets	(0.00)	(0.03)	0.01	(0.23)	0.01

26. Segment information

Particulars	March 31, 2016	March 31, 2015
Revenue		
India	1.35	18.40
North America	179.57	16.74
Europe	61.65	0.62
Other	99.51	0.13
Total Revenue	**342.08**	**35.89**
Carrying Amount of Segment Assets		
India	1,105.88	778.48
North America	-	-
Europe	-	-
Other	-	-
Total Asset	**1,105.88**	**778.48**
Addition to Fixed assets		
India	7.69	36.22
North America	-	-
Europe	-	-
Other	-	-
Total Addition to Fixed assets	**7.69**	**36.22**

27. **Related party disclosures**

Related Party disclosures as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India are given below:

a) **List of related parties and description of relationships:**

Parties where control exists:

i) **Ultimate Holding Company**

1. RDA Holdings Pvt. Ltd.

ii) **Holding Company**

1. Thermax Limited

iii) **Fellow Subsidiaries**

1. Thermax Engineering Construction Company Ltd (India)
2. Thermax Onsite Energy Solutions Ltd (India)
3. Thermax Instrumentation Ltd (India)
4. Thermax Sustainable Energy Solutions Ltd (India)
5. Thermax International Ltd (Mauritius)
6. Thermax Senegal SARL (Step down subsidiary of Thermax International Ltd., Mauritius).
7. Thermax Hong Kong Ltd (Hong Kong)
8. Thermax Europe Limited (U.K.)
9. Thermax Inc. (U.S.A.)
10. Thermax (Zhejiang) Cooling and Heating Engineering Company Ltd (China)
11. Thermax SPX Energy Technologies Ltd.
12. Thermax do Brasil Energia e Equipamentos Ltda. (Brazil)
13. Thermax Netherlands B.V. (Netherlands)
14. Thermax DenmarkApS (Denmark)
15. Danstoker A/S (Denmark)
16. Ejendomsanpartsselskabet Industrivej Nord 13 (Netherlands)
17. Rifox-Hans Richter GmbH(Germany)
18. Thermax SBN. BHD. (Malaysia)
19. Boilerworks A/S (Denmark)
20. Boilerworks Properties ApS (Denmark)
21. Thermax Engineering Singapore Pte Ltd
22. PT Thermax International Indonesia (Step down subsidiary of Thermax Engineering Singapore Pte Ltd)
23. Omnical Kessel & Apparatebau GmbH, Germany
24. Thermax Nigeria Ltd.
25. First Energy Private Ltd

Party having significant influence:

1. Babcock & Wilcox India Holdings, Inc.
2. Babcock & Wilcox Power Generation Group (up to June 30, 2015)
3. Babcock & Wilcox Enterprise, Inc.
4. Babcock & Wilcox Company

Fellow Subsidiaries:

1. Babcock & Wilcox Volund.

b) **Key Management Personnel**

1. Mr. Deepak Chopra – Chief Executive Officer
2. Mr. Bipeen Valame – Chief Financial Officer
3. Mr. Kedar P. Phadke – Company Secretary

c) **Transactions with the Related Parties**

	2015-16 (2014-15)						
Particulars	**Thermax Limited**	**Thermax SPX Energy Technologies Ltd.**	**Babcock & Wilcox India Holdings Inc**	**Babcock & Wilcox Company**	**Babcock & Wilcox Volund**	**Key Management Personnel**	**Total**
Equity Infusion/Share Application Money	51.00 (Nil)	-	49.00 (Nil)	-	-	-	**100.00** **(Nil)**
Services / Job work done	1.72 (0.50)	-	-	0.08 (Nil)	-	-	**1.80** **(0.50)**
Consultancy services obtained	-	-	-	1.20 (1.35)	-	-	**1.20** **(1.35)**
Purchase	2.20 (4.61)	-	-	-	-	-	**2.20** **(4.61)**
Sale	0.69 (32.15)	-	-	73.55 (Nil)	61.65 (Nil)	-	**135.89** **(32.15)**

	2015-16 (2014-15)						
Particulars	**Thermax Limited**	**Thermax SPX Energy Technologies Ltd.**	**Babcock & Wilcox India Holdings Inc**	**Babcock & Wilcox Company**	**Babcock & Wilcox Volund**	**Key Management Personnel**	**Total**
Reimbursement of expenses	0.02 (Nil)	-	-	0.31 (0.32)	-	-	**0.33 (0.32)**
Advances outstanding	-	-	-	391.61 (94.46)	Nil (11.62)	-	**391.61 (106.08)**
Debtors balance outstanding	0.23 (1.85)	0.06 (0.04)	-	-	16.58 (Nil)	-	**16.87 (1.89)**
Provision for rework charges on site	-	-	-	-	-	17.80 (Nil)	**17.80 (Nil)**
Creditors balances outstanding	0.28 (Nil)	-	-	5.20 (1.46)	-	-	**5.48 (1.46)**
Personnel Cost & Other Expenses	0.78 (Nil)	0.02 (0.04)	-	2.10 (1.80)	-	4.89* (4.05)	**7.79 (4.05)**
Guarantees and Collateral	66.30 (66.30)	-	-	63.70 (63.70)	-	-	**130.00 (130.00)**

*Includes Rs. 2.68 Crores (Previous Year Rs. 2.93 Crores) as reimbursement of employee cost to a related party.
Figures in brackets denote previous year

28. Leases

a. Operating lease: Company as lessee

The Company has taken 2 office premises on operating lease. The tenure of such leases ranges from 5 years to 6 years. Lease rentals are charged to the Statement of Profit and Loss for the year. There are no sub-leases. The leases are renewable on mutually agreeable terms. At the expiry of the lease term, the Company has an option to terminate the agreement or extend the term by giving notice in writing.

Future minimum lease rental payables under non-cancellable operating leases are as follows:

Particulars	**2015-16**	**2014-15**
Lease payments for the year	2.63	2.05
Not later than one year	2.48	2.05
Later than one year but not more than five years	9.15	NIL
More than five years	0.02	NIL

29. Earnings Per Share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	**March 31, 2016**	**March 31, 2015**
Net profit for calculation of basic and diluted EPS	(70.10)	(123.69)
Weighted average number of equity shares	393,196,721	385,000,000
Basic & Diluted EPS (Rs.)	(1.78)	(3.21)
Nominal value of shares (Rs.)	10	10

During the year, the company has issued Right Shares to Thermax Ltd and Babcock & Wilcox India Holdings Inc. USA, in the proportion of their existing shareholding.

30. Disclosure as required by AS - 29 (Contingent Liabilities and Provisions):

Particulars	**Provision for warranty**	
	March 31, 2016	**March 31, 2015**
At the beginning of the year	0.68	0.13
Arising during the year	6.22	0.55
Utilised /reversed during the year	-	-
At the end of the year	**6.90**	**0.68**
Current portion	-	-
Non-current portion	**6.90**	**0.68**

31. Derivative instruments and un-hedged foreign currency exposure

a. Derivatives as at reporting date:

Particulars	**Purpose**
Forward contract to sell US$	
$ 23.25 Million (Previous year: $ 72.58 Million) Rs.157.12 Crores (Previous year: Rs.478.43 Crores)	Hedge of highly probable foreign currency sales
EUR 2.33 Million (Previous year: EUR 6.92 Million) Rs.18.77 Crores(Previous year: Rs.53.01 Crores)	Hedge of highly probable foreign currency sales
Forward contract to buy US$	
$ 2.45 Million (Previous year : $ 0.60 Million) Rs.16.36 Crores (Previous year: Rs.3.78 Crores)	Hedge of highly probable foreign currency purchases
EUR 0.55 Million (Previous year: EUR 1.30 Million) Rs. 4.15 Crores (Previous year: Rs. 9.82 Crores)	Hedge of highly probable foreign currency sales
JPY NIL (Previous year: JPY 1.18 Million) Rs. NIL (Previous year: Rs. 0.06 Crores)	Hedge of highly probable foreign currency sales

b. **Details of un-hedged foreign currency as at the reporting date:**

Particulars	March 31, 2016	March 31, 2015
Trade receivables and other current assets	-	-
Trade payables	$ 99,950	$ 1,952
Loans and advances	-	-
Cash and bank balances	-	-

32. Details of dues to micro and small enterprises as defined under The Micro, Small and medium enterprises Development (MSMED) Act 2006

Particulars	March 31, 2016	March 31, 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	NIL	NIL
Principal amount due to micro and small enterprises	NIL	NIL
Interest due thereon	NIL	NIL
The amount of interest paid by the Company in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	NIL	NIL

33. Imported and indigenous raw materials, components and spare parts consumed

Particulars	March 31, 2016		March 31, 2015	
	% of total consumption	Value	% of total consumption	Value
Imported	44	87.75	-	-
Indigenous	56	112.48	100	19.83
Total	**100**	**200.23**	**100**	**19.83**

34. Value of imports calculated on CIF basis

Particulars	March 31, 2016	March 31, 2015
Raw materials	80.03	19.58
Component and spare parts	Nil	Nil
Consumables	Nil	Nil
Capital goods	Nil	Nil
Total	**80.03**	**19.58**

35. Earnings in foreign currency (on accrual basis)

Particulars	March 31, 2016	March 31, 2015
Revenue from Export Projects	340.28	17.49
Total	**340.28**	**17.49**

36. Expenditure in foreign currency (on accrual basis)

Particulars	March 31, 2016	March 31, 2015
License Support fees	0.63	-
Salary to Expats	4.68	4.73
Traveling, conveyance, legal and professional fees and others	1.34	1.35
Total	**6.65**	**6.08**

37. Borrowings

i. Term loan facilities have been sanctioned by ICICI Ltd and State Bank of India to the Company aggregating to Rs 437 Crores which were drawn down by the Company. The outstanding balance of such term loans aggregates to Rs.442.98 Crores as at 31 March 2016.

The loans are secured by First Charge on moveable properties, first charge on all rights, title and interests of the Company and second charge on raw material stock, semi-finished, finished goods, and book debts and also by way of deposit of title deeds for immoveable property of the Company, mainly the plot of land and all construction thereon.

The repayment of term loans was scheduled on quarterly basis over a period of six years.

ii. ICICI Ltd had also sanctioned a Working Capital Term Loan of Rs. 130.00 Crores to fund the working capital requirements. Of this amount, the Company has drawn Rs Nil (Previous Year Rs 60.00 Crores). Amount outstanding as on balance sheet date is Rs. 59.62 Crores.

The repayment of working capital term loan was scheduled on quarterly basis starting from quarter ending 18 months from the date of first draw down, over a period of eleven years.

The working capital term loan is secured by second pari passu charge on current assets and second pari passu charge on fixed assets (immoveable and moveable) properties of existing manufacturing set up project subservient to the existing charge created in favour of existing lenders. The working capital term loan is also secured by a letter of comfort from Thermax Ltd and stand by letter of credit (SBLC) from Babcock and Wilcox PGG INC.

Subsequent to the end of the financial year, the Company has pre-paid the outstanding term loans and working capital term loan to banks. Accordingly, the entire balance of term loans and working capital term loan has been re-classified as part of current liabilities as at 31 March 2016.

38. Previous year's figures have been regrouped/ reclassified where necessary to conform to this year's classification.

As per our report of even date

For B. K. Khare & Co **ICAI Firm Regn. No:** 105102W Chartered Accountants	**For and on behalf of the board of directors of Thermax Babcock & Wilcox Energy Solutions Private Limited**	
Naresh Kumar Kataria Partner Membership No: 037825	**Amitabha Mukhopadhyay** **Director**	**Ravinder Advani** Director
	Deepak Chopra Chief Executive Officer	**Bipeen Valame** Chief Financial Officer
	Kedar Phadke Company Secretary	
Place: Pune Date: May 19,2016	Place: Pune Date: May 19,2016	

For the convenience of the readers of this compilation, in the audited financial statements of overseas subsidiaries prepared in local currencies, equivalent rupee amounts have also been additionally stated converted at the exchange rates as on March 31, 2016.

THERMAX EUROPE LIMITED

Board of Directors	Registered Office	Auditors
A M Vaishnav A R Shah	I Lumley Street Mayfair London W1K 6TT	Slaven Jeffcote LLP 1 Lumley Street Mayfair London W1K 6TT
Secretary	**Senior Statutory Auditor**	**Bankers**
JD Secretariat Limited	Nicholas John Paling FCCA	Natwest Bank

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their strategic report for the year ended 31 March 2016.

REVIEW OF BUSINESS

The performance for the financial year FY 15-16 has been better than the ABP with a number of successful projects bagged and executed.

The year closed with a turnover of £ 6.15 million (previous year £ 9.43 Million). The pre tax profit stands at £ 607,738 (previous year £ 685,173). The order booking for the year stands at £ 8.2 Million.

The Chiller business continues to be driven by the on site power generation market in Italy, Germany and UK. The Heat Pump business is driven by the district heating sector and the need for the Scandinavian countries to reduce their dependency on fossil fuel as part of the Climate change initiatives

The revenue for Spares and Service have been in line with the overall business strategy.

The outlook for 2016-17 remains positive similar to the previous year, with expected increase in heat pump business .

On behalf of the Board:

A R Shah - Director

Date: 6 May 2016

Directors' Report for the year ended 31 March 2016

The directors present their report with the financial statements of the company for the year ended 31 March 2016.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2016.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 April 2015 to the date of this report.

The directors shown below were in office at 31 March 2016 but did not hold any interest in the Ordinary shares of £1 each at 1 April 2015 or 31 March 2016.

A M Vaishnav
A R Shah

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board:

A R Shah - Director

Date: 6 May 2016

Report of the Independent Auditors to the Members of Thermax Europe Limited

We have audited the financial statements of Thermax Europe Limited for the year ended 31 March 2016 on pages six to nineteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Nicholas John Paling FCCA (Senior Statutory Auditor)
for and on behalf of Slaven Jeffcote LLP
Chartered Certified Accountants and Statutory Auditors

1 Lumley Street
Mayfair
London
W1K 6TT
Date: 6th May, 2016

Income Statement for the year ended 31 March 2016

	Notes	2016		2015	
		£	Rs Lacs	£	Rs Lacs
Revenue	2	**6,151,039**	**5,850.98**	9,430,577	8,732.02
Cost of Sales		**5,079,220**	**4,831.44**	7,689,614	7,120.01
Gross Profit		**1,071,819**	**1,019.53**	1,740,963	1,612.00
Administrative Expenses		**471,571**	**448.57**	1,069,183	989.98
Operating profit	4	**600,248**	**570.97**	671,780	622.02
Interest receivable and similar income		**7,593**	**7.22**	13,393	12.40
		607,841	**578.19**	685,173	634.42
Interest payable and similar charges	5	**103**	**0.10**	-	-
Profit on ordinary activities before taxation		**607,738**	**578.09**	685,173	634.42
Tax on Profit on ordinary activities	6	**130,370**	**124.01**	143,683	133.04
Profit for the financial year after taxation		**477,368**	**454.08**	541,490	501.38

The notes form part of these financial statements

Other Comprehensive Income for the year ended 31 March 2016

	Notes	2016		2015	
		£	Rs Lacs	£	Rs Lacs
Profit for the Year		**477,368**	**454.08**	541,490	501.38
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income For The Year		**477,368**	**454.08**	541,490	501.38

Exchange rate : as at 31 March 2016 is £= Rs 95.12

Exchange rate : as at 31 March 2015 is £= Rs 92.59

Balance Sheet as at 31 March 2016

	NOTE	2016		2015	
		£	Rs Lacs	£	Rs Lacs
Fixed assets					
Property, Plant and Equipment	7	**3,342**	**3.18**	4,517	4.18
Current assets					
Inventories	8	**1,444,828**	**1,374.35**	1,294,841	1,198.93
Debtors	9	**1,780,352**	**1,693.50**	3,738,106	3,461.21
Cash at bank and in hand		**1,843,681**	**1,753.74**	1,531,702	1,418.24
		5,068,861	**4,821.59**	6,564,649	6,078.38
Creditors:					
Amounts falling due within one year	10	**(793,146)**	**(754.45)**	(2,767,477)	(2,562.48)
Net current assets		**4,275,715**	**4,067.13**	3,797,172	3,515.90
Total assets less current liabilities		**4,279,057**	**4,070.31**	3,801,689	3,520.08
Capital and reserves					
Called up share capital	11	**200,000**	**190.24**	200,000	185.19
Retained Earnings	12	**4,079,057**	**3,880.07**	3,601,689	3,334.90
Shareholders' funds		**4,279,057**	**4,070.31**	3,801,689	3,520.08

The financial statements were approved by the Board of Directors on 6 May 2016 and were signed on its behalf by:

A R Shah
Director

Statement of Changes in Equity for the year ended 31 March 2016

	Called Up Share Capital		Retained Earnings		Total Equity	
	£	Rs Lacs	£	Rs Lacs	£	Rs Lacs
Balance at 1 April 2014	200,000	190.24	3,060,199	2,910.91	3,260,199	3,101.16
Change in Equity:						
Total comphrensive income	-	-	541,490	515.07	541,490	515.07
Balance at 31 March 2015	200,000	190.24	3,601,689	3,425.99	3,801,689	3,616.23
Changes in Equity:						
Total comphrensive income	-	-	477,368	454.08	477,368	454.08
Balance at 31 March 2016	200,000	190.24	4,079,057	3,880.07	4,279,057	4,070.31

Cash Flow Statement for the year ended 31 March 2016

	NOTE	2016		2015	
		£	Rs Lacs	£	Rs Lacs
Cash flow from operating activities					
Cash generated from operations	1	**390,102**	**371.07**	270,389	250.36
Interest Paid		**(103)**	**(0.10)**	-	-
Tax Paid		**(83,683)**	**(79.60)**	(151,743)	(140.50)
Net cash from operating activities		**306,316**	**291.37**	118,646	109.86
Cash flow from investing activities					
Purchase of tangible fixed asset		**(1,930)**	**(1.84)**	(3,080)	(2.85)
Interest received		**7,593**	**7.22**	13,393	12.40
Net cash from investing activities		**5,663**	**5.39**	10,313	9.55
Increase in cash and cash equivalents		**311,979**	**296.76**	128,959	119.41
Cash and cash equivalents at the beginning of the year	2	**1,531,702**	**1,456.98**	1,402,743	1,298.84
Cash and cash equivalents at the end of the year	2	**1,843,681**	**1,753.74**	1,531,702	1,418.24

Notes to the Cash flow Statement for the year ended 31 March 2016

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit before taxation	**607,738**	685,173
Depreciation charges	**3,106**	2,515
Miscellaneous	**(1)**	1
Finance costs	**103**	-
Finance income	**(7,593)**	(13,393)
	603,353	674,296
Increase in inventories	**(149,987)**	(791,751)
Decrease/(increase) in trade and other debtors	**1,957,754**	(1,633,527)
(Decrease)/increase in trade and other creditors	**(2,021,018)**	2,021,371
Cash generated from operations	**390,102**	270,389

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2016	**31.3.16**	1.4.15
	£	£
Cash and cash equivalents	**1,843,681**	1,531,702
Year ended 31 March 2015	**31.3.15**	1.4.14
	£	£
Cash and cash equivalents	**1,531,702**	1,402,743

Notes to the Financial Statements for the year ended 31 March 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	-	20% on cost
Fixtures and fittings	-	20% on cost
Computer equipment	-	33% on cost

Stocks

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company’s pension scheme are charged to profit or loss in the period to which they relate.

2. REVENUE

The revenue and profit before taxation are attributable to the one principal activity of the company.

An analysis of revenue by geographical market is given below:

	2016	2015
	£	£
United Kingdom	**782,133**	871,286
Rest of World	**5,368,906**	8,559,291
	6,151,039	9,430,577

3. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	**249,910**	252,886
Social security costs	**29,072**	31,457
Other pension costs	**-**	2,571
	278,982	286,914

The average monthly number of employees during the year was as follows:

	2016	2015
Director	**2**	2
Administration	**9**	7
	11	9

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2016	2015
	£	£
Other operating leases	**7,200**	7,200
Depreciation - owned assets	**3,105**	2,515
Auditors’ remuneration	**3,850**	2,200
Foreign exchange differences	**(202,598)**	383,696
Directors’ remuneration	**-**	-

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Other interest	**103**	-

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2016	2015
	£	£
Current tax:		
UK corporation tax	**130,370**	143,683
Tax on profit on ordinary activities	**130,370**	143,683

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2016	2015
	£	£
Profit on ordinary activities before tax	**607,738**	685,173
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 21%)	**121,548**	143,886
Effects of: Expenses not deductible for tax purposes	**11**	-
Capital allowances in excess of depreciation	**-**	(203)
Depreciation in excess of capital allowances	**169**	-
Bad Debts Provision	**8,642**	-
Total tax charge	**130,370**	143,683

Notes to the Financial Statements for the year ended 31 March 2016

7. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
COST				
At 1 April 2015	3,093	5,720	14,344	23,157
Additions	83	-	1,847	1,930
At 31 March 2016	3,176	5,720	16,191	25,087
DEPRECIATION				
At 1 April 2015	3,031	4,842	10,767	18,640
Charge for year	63	202	2,840	3,105
At 31 March 2016	3,094	5,044	13,607	21,745
NET BOOK VALUE				
At 31 March 2016	82	676	2,584	3,342
At 31 March 2015	62	878	3,577	4,517

8. INVENTORIES

	2016 £	2015 £
Stocks	**1,444,828**	1,294,841

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	**1,558,867**	3,259,774
Amounts owed by group undertakings	**196,267**	458,442
Interest Accrued	**2,625**	2,499
Recharges	**8,568**	-
VAT	**3,588**	9,428
Prepayments	**10,437**	7,963
	1,780,352	3,738,106

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	**41,682**	121,581
Amounts owed to group undertakings	**387,448**	2,387,452
Tax	**80,370**	33,683
Social security and other taxes	**8,924**	8,348
Customer Advance Payments	**93,811**	45,659
Accrued expenses	**180,911**	170,754
	793,146	2,767,477

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
200,000	Ordinary	£1	**200,000**	200,000

12. RESERVES

	Retained earnings £
At 1 April 2015	3,601,689
Profit for the year	477,368
At 31 March 2016	4,079,057

13. RELATED PARTY DISCLOSURES

Thermax Limited owns 100% of the shares in Thermax Europe Limited.

During the year Thermax Europe Limited made sales amounting to £278,620 (2015:£224,605) to Thermax Limited and £773,410 (2015: £711,254) to Danstoker A/S and Thermax (Zhejiang) Cooling & Heating Engineering Co.Ltd. (China) £7,239 (2015: £7,381).

Purchases were made in the year from Thermax Limited of £3,564,056 (2015: £6,440,845), Thermax (Zhejiang) Cooling & Heating Engineering Co.Ltd. (China) of £1,066,901 (2015: £1,386,254), Danstoker A/S £33,931 (2015: £34,745) and Rifox-Hans Richter Gmbh £104,367 (2015: £37,231).

At 31/03/2016 Thermax Europe Limited was owed £90,042 (2015: £79,097) from Thermax Limited, £6,641 (2015: £7,381) from Thermax (Zhejiang) Cooling & Heating Engineering Co.Ltd. (China) and £198,150 (2015: £458,422) from Danstoker A/S.

Thermax Europe Limited also owed £477,490 (2015:£2,178,676) to Thermax Limited, £Nil (2015:£295,253) to Thermax (Zhejiang) Cooling & Heating Engineering Co.Ltd. (China) and £8524l (2015:£Nil) to Danstoker A/S.

On 16 October 2013 the board granted a loan not exceeding 200,000 Euros to Rifox-Hans Richter Gmbh at an interest rate of 3.6% for a term of up to 1 year. The final instalment was repaid on 16 March 2015.

14. ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking is ARA Trusteeship Company Private Limited (Holding shares in Trust), a company incorporated in India.

The immediate parent company is Thermax Limited, a company incorporated in India.

15. CHARGE

A Charge was created on 17 September 2010 in respect of a rent deposit deed for £2,956.

A charge on a cash deposit dated 23 February 2010 and created by Thermax Europe Limited for securing all monies due or to become due from the company to the Bank of Baroda was registered on 9 March 2010

16. WARRANTY GUARANTEE

A cash deposit has been placed with the Bank of Baroda to cover warranty obligations on an overseas contract.

RECONCILIATION OF EQUITY 1 APRIL 2014 (DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP	Effect of transition to FRS 102	FRS 102
		£	£	£
FIXED ASSETS				
Property, plant and equipment		3,953	-	3,953
CURRENT ASSETS				
Inventories		503,090	-	503,090
Debtors		2,097,623	-	2,097,623
Prepayments and accrued income		6,956	-	6,956
Cash at bank and in hand		1,402,743	-	1,402,743
		4,010,412	-	4,010,412
CREDITORS				
Amounts falling due within one year		(598,751)	-	(598,751)
NET CURRENT ASSETS		3,411,661	-	3,411,661
TOTAL ASSETS LESS CURRENT LIABILITIES		3,415,614	-	3,415,614
ACCRUALS AND DEFERRED INCOME		(155,415)	-	(155,415)
NET ASSETS		3,260,199	-	3,260,199
CAPITAL AND RESERVES				
Called up share capital		200,000	-	200,000
Other reserves		3,060,199	-	3,060,199
SHAREHOLDERS' FUNDS		3,260,199	-	3,260,199

RECONCILIATION OF EQUITY 31 MARCH, 2015

	UK GAAP	Effect of transition to FRS 102	FRS 102
	£	£	£
FIXED ASSETS			
Property, plant and equipment	4,517	-	4,517
CURRENT ASSETS			
Inventories	1,294,841	-	1,294,841
Debtors	3,738,106	-	3,738,106
Cash at bank and in hand	1,531,702	-	1,531,702
	6,564,649	-	6,564,649
CREDITORS			
Amounts falling due within one year	(2,767,477)	-	(2,767,477)
NET CURRENT ASSETS	3,797,172	-	3,797,172
TOTAL ASSETS LESS CURRENT LIABILITIES	3,801,689	-	3,801,689
NET ASSETS	3,801,689	-	3,801,689
CAPITAL AND RESERVES			
Called up share capital	200,000	-	200,000
Retained earnings	3,601,689	-	3,601,689
SHAREHOLDERS' FUNDS	3,801,689	-	3,801,689

RECONCILIATION OF PROFIT FOR THE YEAR ENDED 31 MARCH 2015

	UK GAAP	Effect of transition to FRS 102	FRS 102
	£	£	£
REVENUE	9,430,577	-	9,430,577
Cost of sales	(7,689,614)	-	(7,689,614)
GROSS PROFIT	1,740,963	-	1,740,963
Administrative expenses	(1,069,183)	-	(1,069,183)
OPERATING PROFIT	671,780	-	671,780
Interest receivable and similar income	13,393	-	13,393
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	**685,173**	**-**	**685,173**
Tax on profit on ordinary activities	(143,683)	-	(143,683)
PROFIT FOR THE FINANCIAL YEAR	541,490	-	541,490

Board of Directors

Mr. Pheroz Pudumjee
(Resigned on 12 Jan 15)

Ms. Meher Pudumjee
(Resigned on 12 Jan 15)

Mr. Yuvraj Thacoor
(Resigned on 23 Jan 15)

Mr. A. Sattar Hajee Abdoula
(Resigned on 23 Jan 15)

Mr. Gajanan Kulkarni
(Resigned on 21 Dec 15)

Mr. Amitabha Mukhopadhyay
(Appointed on 12 Jan 15)

Mr. Farhana Alimohamed
(Appointed on 23 Jan 15)

Mr. Nundan Sharma Doorgakant
(Appointed on 23 Jan 15)

Mr. Amit Govind Atre
(Appointed on 15-Mar-16)

Registered Office

9th Floor, Ebene Tower 52 Cybercity
Ebene Republic of Mauritius

Auditors

Yousouf Peerbaye, F.C.A
Chartered Accountant
6th Floor, Richard House Remy Ollier Street, Port-Louis,
Republic of Mauritius

Corporate Secretary

Anex Management Services Ltd
9th Floor, Ebene Tower
52 Cybercity Ebene
Republic Of Mauritius

Bankers

HSBC Bank (Mauritius) Ltd
HSBC Centre
18, Cyber City, Ebene,
Republic of Mauritius

COMMENTARY OF THE DIRECTORS

The directors have pleasure in submitting their annual report together with the audited financial statements of Thermax International Limited, the “Company”, for the year ended 31 March 2016.

PRINCIPAL ACTIVITY

The principal activity of the Company is to engage in investment holding.

RESULTS

The results for the year are as shown in the statement of comprehensive income.

DIRECTORS

The present membership of the Board is set out on page 2.

None of the directors has any beneficial interest in the shares of the Company.

DIRECTORS’ RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditor, Yousouf Peerbaye, has indicated his willingness to continue in office and a resolution concerning his re-appointment will be proposed at the Annual Meeting of the shareholder.

Director | Director

Date: 20 May 2016

REPORT FROM THE SECRETARY

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act 2001, in terms of section 166(d) for the year ended 31 March 2016.

***for* Anex Management Services Ltd**

Corporate Secretary

Date: 20 May 2016

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDER OF THERMAX INTERNATIONAL LIMITED

This report is made solely to the shareholder of Thermax International Limited, the "Company", as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to the shareholder in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of Thermax International Limited, "the Company" which comprise the statement of financial position at 31 March 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Category 1 Global Business Licence and in compliance with the requirements of the Mauritius Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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' judgment, 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 entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as 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 audit opinion.

Opinion

In our opinion, the financial statements on pages 7 to 21 give a true and fair view of the financial position of the Company at 31 March 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Category 1 Global Business Licence and in compliance with the requirements of the Mauritius Companies Act 2001.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Other Matters

This report is made solely to the members of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Yousouf Peerbaye, F.C.A
Chartered Accountant
Port Louis, Mauritius

Date: 20 May 2016

Statement of Profit or Loss and Other Comphrensive Income for the year ended 31 March 2016

PARTICULARS	Notes	2016		2015	
		USD	**Rs Lacs**	USD	Rs Lacs
INCOME					
Dividend		-	-	40,000	25,00
		-	-	40,000	25,00
EXPENSES					
Management Fees		**2,200**	**1.46**	2,200	1.37
Licence Fees		**1,750**	**1.16**	2,188	1.37
Bank charges		**1,760**	**1.17**	1,960	1.22
ROC Fees		**360**	**0.24**	360	0.22
Audit Fees		**1,200**	**0.80**	805	0.50
Accountancy Fees		**1,500**	**0.99**	1,500	0.94
Professional Fees		**14,250**	**9.44**	674	0.42
Taxation Fees		**1,000**	**0.66**	1,000	0.62
TRC Renewal		**550**	**0.36**	550	0.34
Disbursements Fees		**4,497**	**2.98**	643	0.40
		29,067	**19.26**	11,880	7.42
OTHER EXPENSES					
Exchange Gain		-	-	8	-
Investment written off		**1**	**-**	-	-
(Loss)/Profit for the year before taxation		**(29,068)**	**(19.26)**	28,128	17.58
Taxation	4	**-**	**-**	-	-
(Loss)/Profit for the year		**(29,068)**	**(19.26)**	**28,128**	**17.58**

Exchange Rate : as at 31 March 2016 is 1 US $ = Rs 66.25

Exchange Rate : as at 31 March 2015 is 1 US $ = Rs 62.50

The notes on page 11 to 21 form an integral part of these financial statements.

Independent Auditors' report on pages 5 and 6

Statement of changes in Equity for the year ended 31 March 2016

PARTICULARS	Share Capital		Revenue Deficit		Total	
	USD	**Rs Lacs**	**USD**	**Rs Lacs**	**USD**	**Rs Lacs**
Balances at 1st April 2015	3,242,300	2,148.02	(2,709,888)	(1,795.30)	532,412	352.72
Issue of shares	200,000	132.50	-	-	200,000	132.50
Profit for the year	-	-	28,128	18.63	28,128	18.63
Balances at 31st March 2015	3,442,300	2,280.52	(2,681,760)	(1,776.67)	760,540	503.86
Balances at 1st April 2015	3,442,300	2,280.52	(2,681,760)	(1,776.67)	760,540	503.86
Loss for the year	-	-	(29,068)	(19.26)	(29,068)	(19.26)
Balances at 31st March 2016	3,442,300	2,280.52	(2,710,828)	(1,795.92)	731,472	484.60

Statement of Financial Position

PARTICULARS	Notes	2016		2015	
		USD	**Rs Lacs**	USD	Rs Lacs
Non-current assets					
Investments	**6**	**696,023**	**461.12**	695,251	434.50
Current assets					
Prepayments		**1,258**	**0.83**	1,258	0.79
Dividend receivable		**-**	**-**	40,000	25.00
Cash at bank and in hand		**42,891**	**28.42**	27,337	17.08
		44,149	**29.25**	68,595	42.87
Total assets		**740,172**	**490.36**	763,846	477.37
EQUITY AND LIABILITIES					
Capital and reserves					
Stated Capital	**7**	**3,442,300**	**2,280.52**	3,442,300	2,151.27
Accumulated losses		**(2,710,828)**	**(1,795.92)**	(2,681,759)	(1,675.97)
		731,472	**484.60**	760,541	475.30
Current liabilities					
Accruals		**8,700**	**5.76**	3,305	2.07
Total equity and liabilities		**740,172**	**490.36**	763,846	477.37

Approved by the Board of Directors on 20 May 2016 and signed on its behalf by:

Farhana Alimohamed
Director

Nundan Sharma Doorgakant
Director

The notes on page 11 to 21 form an integral part of these financial statements.

Independent Auditors' report on pages 5 and 6

Statement of Cash Flows for the year ended 31 March 2016

PARTICULARS	2016		2015	
	USD	**Rs Lacs**	USD	Rs Lacs
Cash flows from operating activities				
(Loss)/Profit for the year	**(29,069)**	**(19.26)**	28,128	17.58
Adjustment for:				
Decrease in trade and other receivables	**-**	**-**	438	0.27
Increase in trade and other payables	**5,395**	**3.57**	-	-
Net cash generated from operating activities	**(23,674)**	**(15.68)**	28,566	17.85
Cash flow from investing activities				
Dividend receivables	**40,000**	**26.50**	(10,000)	(6.25)
Investment in subsidiary	**(772)**	**(0.51)**	(195,250)	(122.02)
Net cash outflow from investing activities	**39,228**	**25.99**	(205,250)	(128.27)
Cash flow from financing activities				
Issue of ordinary Shares	**-**	**-**	200,000	124.99
Net cash inflow from financing activities	**-**	**-**	200,000	124.99
Net Increase in cash and cash equivalents	**15,554**	**10.30**	23,316	14.57
Cash and cash equivalents at start of year	**27,337**	**18.11**	4,021	2.51
Cash and cash equivalents at end of year	**42,891**	**28.42**	27,337	17.08
Cash and cash equivalents made up of:				
Bank balance	**42,891**	**28.42**	27,337	17.08

The notes on page 11 to 21 form an integral part of these financial statements. Independent Auditor's report on pages 5 and 6.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. COMPANY PROFILE

Thermax International Limited, the "Company", is a private company with limited liability and was incorporated on 24 January 2000. The Company was granted a Category 1 Global Business Licence under the Financial Services Act 2007. (The surviving Act of the former Financial Services Development Act 2001)

The principal activity of the company is to hold investments and its registered office is at 9th Floor, Ebene Tower, 52 Cybercity, Ebene, Republic of Mauritius.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Company have applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the IFRS Interpretation Committee of the IASB that are relevant to its operations and effective for accounting years beginning on 01 April 2015.

2.1 New and revised IFRS applied with no material effect on financial statements

IAS 39	Financial Instruments: Recognition and Measurement – Amendments for novation's of derivatives *(effective on or after 1 January 2014)*
IFRS 12	Disclosures of Interests in Other Entities – Amendments for investment entities *(effective on or after 1 January 2014)*
IAS 36	Impairment of Assets – Amendments arising from Recoverable Amount Disclosures for Non – Financial Assets *(effective on or after 1 January 2014)*
IAS 24	Related Party Disclosures – Amendments resulting from Annual Improvements 2010 – 2012 Cycle (management entities) *(effective on or after 1 July 2014)*
IAS 27	Separate Financial Statements (as amended in 2011) – Amendments for investment entities *(effective on or after 1 January 2014)*
IAS 32	Financial Instruments: Presentation – Amendments relating to the offsetting of assets and liabilities *(effective on or after 1 January 2014)*
IFRS 13	Fair Value Measurements – Amendments resulting from Annual Improvements 2011 – 2013 Cycle (scope of the portfolio exception in paragraph 52) *(effective on or after 1 July 2014)*
IFRS 10	Consolidated Financial Statements – Amendments for investments entities *(effective on or after 1 January 2014)*

New and revised IFRS in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant Standards and Interpretations were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IFRS 9	Financial Instruments – Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures *(effective on or after 1 January 2015)*
IFRS 9	Financial Instruments – New requirements for classification and measurement of financial assets and liabilities *(effective on or after 1 January 2018)*
IFRS 9	Financial Instruments – Hedge Accounting and amendments to IFRS 9, IFRS 7, and IAS 39 (2013) *(tentatively effective on or after 1 January 2018)*
IFRS 15	Revenue from Contracts with Customers – Clarification of acceptable methods of depreciation *(effective on or after 1 January 2018)*
IAS 16	Property, plant and equipment – Clarification of acceptable methods of depreciation *(effective on or after 1 January 2016)*
IAS 27	Separate Financial Statements – Equity methods in separate financial statements *(effective on or after 1 January 2016)*

3. ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) including International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) and interpretations of the IAS and IFRS by the International Financial Reporting Interpretations Committee (IFRIC).

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting date. Actual results could differ from those estimates.

(b) Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and under the historical cost convention. The preparation of financial statements in accordance with IFRS and generally accepted accounting principles requires the directors to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

(c) Investments in subsidiary

Investment in subsidiary is stated in the Company's balance sheet at cost less impairment losses since the fair value cannot be reliably measured

(d) Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment (if any). An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and its value in use. Impairments are recognised as an expense in profit or loss.

(e) Consolidation

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities.

No consolidated financial statements are presented since the company itself is a wholly owned subsidiary of a company incorporated in India which prepares consolidated financial statements under Indian GAAP.

Subsidiaries are consolidated from the date on which control is transferred to the Company to the date on which control ceases. In preparing the consolidated financial statements, intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered.

(f) Foreign currencies

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency').

The financial statements are presented in United States Dollar (USD), which is the Company's functional and presentation currency. The Company's business or other activity is carried out in currency other than the Mauritian rupee which is a requirement of the Financial Services Act 2007

Transactions and balances

Foreign currencies transactions are translated into United States Dollars (USD) at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into USD at the rate of exchange ruling at the reporting date.

Exchange differences arising on translation of assets and liabilities are dealt with in profit or loss.

(g) Revenue recognition

Revenues are recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The following specific criteria must also be met for revenue recognition:

Other revenues

Other revenues earned by the Company are recognised on the following bases:

- Interest income – as it accrues unless collectibility is in doubt.
- Dividend income – when the shareholder's right to receive payment is established.

(h) Expense recognition

All expenses are accounted for in the income statement on an accrual basis.

(i) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. At the time of the effective payment, the provision is deducted from the corresponding expenses. All known risks at the reporting date are reviewed in detail and provision is made where necessary.

(j) Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value

(k) Related party transactions

For the purpose of these financial statements, parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice versa, or where the Company is subject to common control or common significant influence. Related parties may be individual or other entities.

(l) Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the Company has become a party to the contractual provisions of the instrument.

The Company's policies in respect of the main financial instruments are as follows:

- **Trade and other receivables**

  Trade and other receivables are stated at their nominal values as reduced by appropriate allowances for irrecoverable amounts.

- **Trade and other payables**

  Trade and other payables are stated at their nominal values.

- **Cash and cash equivalents**

  Cash and cash equivalents are measured at fair values.

- **Loans**

  Loans are stated at their nominal values.

- **Equity instruments**

  Equity instruments are recorded at the proceeds received, net of direct issue costs.

(m) Stated capital

Stated capital is recognised at the fair value of consideration received. Any excess over the nominal value of shares is taken to share premium.

Costs incurred for issuing new share capital when the issuance results in a net increase or decrease to equity are charged directly to equity. Costs incurred for issuing new share capital when the issuance does not result in a change to equity are taken to the income statement.

(n) Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends upon the continued support of the shareholders.

4. TAXATION

The taxation of income and capital gains of the Company is subject to the fiscal law and practice of Mauritius and the countries in which the company invests.

The Company being a Category 1 Global Business Company is liable to pay income on its net taxable income at a rate of 15%. The company is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of the Mauritius tax payable in respect of its foreign source income, thus reducing the maximum effective tax rate to 3%.

	31-Mar-16	31-Mar-15
	USD	USD
(Loss) / Profit before tax	(29,069)	28,128
Gross Up: Foreign Tax suffered	-	17,143
	(29,069)	45,271
Tax at 15%	Nil	6,791
Foreign Tax Credit	Nil	(6,791)
Tax expenses	**Nil**	Nil

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Company's accounting policies, which are described in Note 3, the directors have made the following judgements that have the most effect on the amounts recognised in the financial statements:-

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in Note 3(f), the directors have considered those factors therein and have determined that the functional currency of the Company is the USD.

Unquoted investments

Determining whether unquoted investments are impaired required an estimation of the value in use of the investments. In considering the value in use, the directors have taken into consideration management accounts. Actual results could, however, differ from the estimates.

6. INVESTMENTS

(i) Value of investments

	2016	2015
	USD	USD
Value at beginning of year	695,251	500,001
Addition during the year	773	195,250
Impairment loss	(1)	-
Value at close of year	696,023	695,251

(ii) Details of the investments are as follows:

Investee Company	% Holding	Country of incorporation	Cost	Fair Value	Cost	Total
			USD	USD	USD	USD
Thermax Senegal SARL	100%	SENEGAL	195,250	-	195,250	195,250
Thermax Inc.	100%	U.S.A	500,000	-	500,000	500,000
PT Thermax International Indonesia	0.10%	INDONESIA	773	-	773	773
			696,023	-	696,023	696,023

The directors are of the opinion that the investment is stated at cost since the fair value cannot be reliably measured. The directors are of the opinion that the cost is a reflective of the fair value at 31 March 2016.

7. STATED CAPITAL

	2016	2015
	USD	USD
Authorised		
5,000,000 ordinary shares of USD 1 each	5,000,000	5,000,000
Issued and Fully Paid		
1,695,000 ordinary shares of USD 1 each	1,695,000	1,695,000
1,747,300 cumulative redeemable preference shares	1,747,300	1,747,300
	3,442,300	3,442,300

8. **FINANCIAL INSTRUMENTS**

(a) **Values of financial instruments**

The Company's investments are valued as described in Note 3.

The Company's other financial assets and liabilities include cash and cash equivalents, other receivables and accruals which are realised or settled within a short-term period. The carrying amounts of these assets and liabilities approximate their fair values

(b) **Financial Risks**

The Company's investment activities expose it to the various types of risks which are associated with the financial instruments and markets in which it invests. The following is a summary of the main risks:

(i) **Market risk**

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility. The Company conducts its investment operations in a manner that seeks to exploit the potential gains in the market, while limiting its exposure to market declines.

(ii) **Currency risk**

The Company invests in securities denominated in currencies other than its reporting currency. Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to those currencies may change in a manner which has a material effect on the reported values of that portion of the Company's assets which are denominated in those currencies.

(iii) **Concentration risk**

The directors consider that the Company is not exposed to any concentration risk.

(iv) **Liquidity risk**

The Company is not exposed to any liquidity risk.

(v) **Interest rate risk**

The Company's exposure to interest rate risk is limited to its bank balance and the rates thereon are based on market interest rates

(c) **Currency profile**

The currency profile of the Company's financial assets and liabilities is as follows:

	Financial assets 2016	Financial liabilities 2016	Financial assets 2015	Financial liabilities 2015
	USD	USD	USD	USD
GBP	-	-	1	-
United States Dollars	738,914	8,700	762,587	3,305
	762,588	3,305	762,588	3,305

9. **RELATED PARTY TRANSACTIONS**

During the year ended 31 March 2016, the company had transactions with its related parties. The nature, volume of transactions and balances are as follows:

Nature of relationship	Nature of transactions	Volume of transactions USD	Balances at 31-Mar 2016 USD
Subsidiary	Investment	773	773

10. **HOLDING COMPANY AND ULTIMATE HOLDING COMPANY**

Holding company: Thermax Limited (India).

Ultimate holding company: ARA Trusteeship Company Private Limited.

11. **EVENT AFTER REPORTING DATE**

There are no material post-balance sheet events which would require disclosure or adjustments to the 31 March 2016 financial statements.

12. **CONTINGENT LIABILITIES**

At 31 March 2016, the Company has no material litigation claims outstanding, pending or threatened against it, which would have a material adverse effect on the Company's financial position or results of operations.

13. **CAPITAL COMMITMENTS**

The Company has no material capital commitments at 31 March 2016.

14. **REPORTING CURRENCY**

The financial statements are presented in the United States Dollars (USD)

THERMAX INC.

Board of Directors	***Registered Office***	***Auditors***
Ashish Vaishnav	21800, Haggerty Road, Suite 112	Plante & Moran, PLLC
S. Krishnan	Northville MI 48167	27400 Northwestern Highway
Abhay shah	USA	PO Box 307 Southfield MI 48037-0307
Amitabha Mukhodhayay		

Auditor's Report

To the Board of Directors

Thermax Inc.

We have audited the accompanying financial statements of Thermax Inc. (the "Company") which comprise the balance sheet as of March 31, 2016 and 2015 and the related statements of operations, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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 auditor's judgment, 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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 audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thermax Inc. as of March 31, 2016 and 2015 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

May 6, 2016

Plante & Moran, PLLC

Balance Sheets March 31, 2016 and 2015

ASSETS	**2016**		2015	
	USD	**Rs Lacs**	USD	Rs Lacs
CURRENT ASSETS				
Cash And Cash Equivalents	**1,222,946**	**810.20**	1,384,305	865.12
Accounts Receivable	**2,468,860**	**1,635.62**	2,987,956	1,867.32
Inventory (Note 3)	**4,258,537**	**2,821.28**	2,981,580	1,863.34
Other Current Assets:				
Refundable Tax	**192,330**	**127.42**	-	-
Deferred Tax Assets (Note 9)	**183,000**	**121.24**	109,000	68.12
Other Current Assets	**74,815**	**49.56**	73,472	45.92
Total Current Assets	**8,400,488**	**5,565.32**	7,536,313	4,709.82
Property And Equipment Net				
(Note 4)	**24,509**	**16.24**	18,250	11.41
Total Assets	**8,424,997**	**5,581.56**	7,554,563	4,721.22

LIABILITIES AND STOCKHOLDER'S EQUITY	**2016**		2015	
	USD	**Rs Lacs**	USD	Rs Lacs
CURRENT LIABILITIES				
Accounts Payable:				
Trade accounts Payable	**180,195**	**119.38**	407,974	254.96
Trade payables to related parties (Note 5)	**3,136,613**	**2,078.01**	2,823,506	1,764.55
Accrued and other current liabilities:				
Federal taxes payable	**-**	**-**	222,400	138.99
Provision for warranty and start-up costs (Note 7)	**169,279**	**112.15**	165,279	103.29
Customer Deposits and advances	**596,708**	**395.32**	2,915	1.82
Other Current Liabilities	**266,372**	**176.47**	435,876	272.40
Total Current Liabilities	**4,349,167**	**2,881.32**	4,057,950	2,536.02
Deferred Tax Liabilities (Note 9)	**9,000**	**5.96**	6,000	3.75
Stockholder's Equity				
Common Stock - $10 Par Value 50,000 shares Authorized, issued and Outstanding	**500,000**	**331.25**	500,000	312.48
Retained Earnings	**3,566,830**	**2,363.02**	2,990,613	1,868.98
Total Stockholder's Equity	**4,066,830**	**2,694.27**	3,490,613	2,181.46
Total Liabilities and Stockholder's Equity	**8,424,997**	**5,581.56**	7,554,563	4,721.22

Statement of Income and retained earnings for the years ended March 31,2016 and 2015

	2016		2015	
	USD	**Rs Lacs**	USD	Rs Lacs
Revenue				
Operating Revenues	**13,151,182**	**8,712.66**	14,839,150	9,273.73
Other Revenues	**90,972**	**60.27**	124,570	77.85
Total Revenue	**13,242,154**	**8,772.93**	14,963,720	9,351.58
Costs of Revenue -Production	**10,135,840**	**6,714.99**	11,576,772	7,234.90
Gross Profit	**3,106,314**	**2,057.93**	3,386,948	2,116.67
Selling General and Administrative Expenses	**2,210,849**	**1,464.69**	2,054,017	1,283.66
Income- Before Income taxes	**895,465**	**593.25**	1,332,931	833.02
Income Tax Expense (Note 9)	**319,248**	**211.50**	487,786	304.84
Net Income	**576,217**	**381.74**	845,145	528.17

Exchange Rate : as at 31 March 2016 is 1 US $ = Rs 66.25

Exchange Rate : as at 31 March 2015 is 1 US $ = Rs 62.50

Statement of Stockholder's Equity year ended March 31, 2016 and 2015

Particulars	Common Stock		Retained Earnings		Total	
	USD	Rs Lacs	USD	Rs Lacs	USD	Rs Lacs
Balance - April 1, 2014	500,000	331.25	2,202,611	1,459.23	2,702,611	1,790.48
Net Income	-	-	845,145	559.91	845,145	559.91
Dividends Declared - USD 40,000 and related withholdings of USD 17,143	-	-	(57,143)	(37.86)	(57,143)	(37.86)
Balance - March 31, 2015	500,000	331.25	2,990,613	1,981.28	3,490,613	2,312.53
Net Income	-	-	576,217	381.74	576,217	381.74
Balance - March 31, 2016	500,000	331.25	3,566,830	2,363.02	4,066,830	2,694.27

Statement of Cash flows for the years ended March 31, 2016 and 2015

Particulars	2016		2015	
	USD	Rs Lacs	USD	Rs Lacs
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	**576,217**	**381.74**	845,145	528.17
Adjustment to reconcile net income to net cash flows from operating activities:				
Depreciation	**9,050**	**6.00**	9,321	5.83
Gain (Loss) on disposal of assets	**(900)**	**(0.60)**	1,815	1.13
Bad debt expense	**-**	**-**	9,991	6.24
Deferred Taxes	**(71,000)**	**(47.04)**	(2,000)	(1.25)
Changes in operating assets and liabilities which provided (used) cash:				
Accounts receivable	**519,096**	**343.90**	(1,903,141)	(1,189.37)
Inventory	**(1,276,957)**	**(845.98)**	(291,115)	(181.93)
Other Assets	**(193,673)**	**(128.31)**	(28,075)	(17.55)
Accounts payable	**(227,779)**	**(150.90)**	(370,326)	(231.44)
Accounts payable- Related Parties	**313,107**	**207.43**	953,479	595.88
Advances and accrued liabilities	**371,393**	**246.05**	38,715	24.19
Provision for warranty and start-up costs	**4,000**	**2.65**	(25,325)	(15.83)
Other liabilities	**(169,504)**	**(112.30)**	152,506	95.31
NET CASH USED IN OPERATING ACTIVITIES	**(146,950)**	**(97.35)**	(609,010)	(380.60)

Particulars	2016		2015	
	USD	Rs Lacs	USD	Rs Lacs
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property and equipment	**(15,309)**	**(10.14)**	(6,685)	(4.18)
Proceeds from disposition of property and equipment	**900**	**0.60**	-	-
NET CASH USED IN INVESTING ACTIVITIES	**(14,409)**	**(9.55)**	(6,685)	(4.18)
CASH FLOW FROM FINANCING ACTIVITIES -				
Distribution of equity interests and related withholdings	**-**	**-**	(57,143)	(35.71)
NET DECREASE IN CASH & CASH EQUIVALENTS	**(161,359)**	**(106.90)**	(672,838)	(420.49)
Cash & cash Equivalents- Beginning of year	**1,384,305**	**917.10**	2,057,143	1,285.61
Cash & cash Equivalents- End of year	**1,222,946**	**810.20**	1,384,305	865.12
Supplemental Cash Flow Information- Cash paid for Income Taxes	**593,260**	**393.03**	465,285	290.78

The accompanying Notes Are An Integral Part of These Financial Statements

Exchange Rate : as at 31 March 2016 is 1 US $ = Rs 66.25

Exchange Rate : as at 31 March 2015 is 1 US $ = Rs 62.50

Notes to Financial Statements March 31, 2016 and 2015

Note 1 - Nature of Business

Thermax Inc. (the "Company") was incorporated on October 23, 2000. The Company's operations consist of two segments environment and energy. The environment segment consists of the sale of ion exchange resins primarily within North America. The energy segment consists of the sale of absorption chillers with operations conducted primarily in North and South America.

The Company is a wholly owned subsidiary of Thermax International Limited (Mauritius) which, in turn, is wholly owned by Thermax Ltd., an Indian publicly listed company. Thermax Ltd. is a subsidiary of RDA Holdings Private Limited, a company incorporated in India. The Company acquires substantially all of its products for sale from Thermax Ltd. and its affiliates.

Note 2 - Significant Accounting Policies

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Revenue and Cost Recognition

Revenue is recognized by the Company as per the contract terms under which title transfer occurs. At the time of revenue recognition, there may be additional unfulfilled Company obligations that are deemed inconsequential and will not affect the customer's final acceptance of the arrangement. Any cost of these obligations is accrued when the corresponding revenue is recognized. In the energy segment, the Company records a provision for start up costs at the time of revenue recognition. A provision for warranty costs was recorded for sales through March 31, 2012. For sales subsequent to that date, the warranty liability was assumed by Thermax Ltd.

The Company occasionally receives down payments from its customers. These are recorded as customer deposits and advances on the balance sheet. Customer advances totaled $596,708 and $2,915 as of March 31, 2016 and 2015, respectively.

Credit Risk and Major Customers

The Company has entered into an exclusivity agreement whereby the Company has agreed to sell certain types of absorption chillers exclusively to one customer. Total sales to this customer were $2,291,214 and $1,493,341 during the years ended March 31, 2016 and 2015, respectively. Accounts receivable from this customer totaled $540,490 and $678,400 at March 31, 2016 and 2015, respectively.

The Company's environment business segment includes sales to a single customer of $3,266,166 and $2,933,475 for the years ended March 31, 2016 and 2015, respectively. Accounts receivable from this customer totaled $661,616 and $678,799 at March 31, 2016 and 2015, respectively.

Advertising Expenses

Advertising expenses are charged to income during the year in which they are incurred. Advertising and promotion expenses for the years ended March 31, 2016 and 2015 were $29,126 and $28,933, respectively.

Cash Equivalents

The Company utilizes a money market account to earn interest on funds held.

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Trade Accounts Receivable

The Company's accounts receivable are primarily related to sales of ion exchange resins and vapor absorption chillers and spares. Credit is extended based on prior experience with the customer and evaluation of the customer's financial condition. Accounts receivable are generally due within 30 days. An allowance for doubtful accounts is established based on Company policy and the specific assessment of all invoices that remain unpaid following the normal customer payment periods. All accounts or portions thereof deemed to be uncollectible are written off in the period that determination is made. Management has concluded that no allowance for doubtful accounts related to trade accounts receivable is required at March 31, 2016 and 2015.

Property and Equipment

Property and equipment are recorded at cost. The straight line depreciation method is used for computing depreciation over the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

The estimated useful lives used to determine depreciation are as follows:

	Depreciable Life Years
Furniture and fixtures	5-7
Office equipment	5

Income Taxes

A current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for the year. Deferred tax liabilities or assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting.

The Company has elected to classify interest and penalties, if applicable, related to income tax obligations as part of income tax expense.

Inventory

Inventories consist of product purchased primarily from Thermax Ltd. and are stated at the lower of cost or market, with cost determined using the average cost method. The cost of inventory includes the purchase price of the products, expenses incurred on freight, customs duty where applicable, and other incidental expenses.

Shipping and Handling Costs

Shipping and handling costs are recorded as costs of sales as they are incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The financial statements and related disclosures include evaluation of events up to and including May 6, 2016, which is the date the financial statements were available to be issued.

Upcoming Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2014 09, Revenue from Contracts with Customers (Topic 606), which will supersede the current revenue recognition requirements in Topic 605, Revenue Recognition. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance will be effective for the Company's year ending March 31, 2020. The ASU permits application of the new revenue recognition guidance to be applied using one of two retrospective application methods. The Company has not yet determined which application method it will use or the potential effects of the new standard on the financial statements, if any.

In February 2016, the Financial Accounting Standards Board issued ASU No. 2016 02, Leases, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right of use asset and related lease liability for all leases, with a limited exception for short term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Company's year ending March 31, 2021 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The effect of applying the new lease guidance on the financial statements has not yet been determined.

Note 3 - Inventory

Inventory, net of reserves, at March 31, 2016 and 2015 consists of the following:

	2016	2015
Traded goods Ion exchange resins and spare parts	$ **1,482,283**	$ 824,556
Goods in transit Ion exchange resins	**403,567**	1,651,524
Goods in transit Chillers (including chiller received at U.S. port)	**2,372,687**	505,500
Total inventory	$ **4,258,537**	$ 2,981,580

The Company maintains inventory of ion exchange resins and spare parts at outside warehouses located in various states. At March 31, 2016 and 2015, net inventory valued at $1,482,283 and $824,556, respectively, was located at outside warehouses.

At March 31, 2016 and 2015, the Company maintained a reserve for inventory obsolescence of $66,708 and $64,572, respectively.

Note 4 - Property and Equipment

Property and equipment at March 31, 2016 and 2015 are summarized as follows:

	2016	2015	Depreciable Life Years
Office equipment	$ 39,540	$ 40,178	5
Furniture and fixtures	13,641	12,040	7
Leasehold improvements	5,794	9,000	7
Total cost	58,975	61,218	
Accumulated depreciation	34,466	42,968	
Net property and equipment	$ 24,509	$ 18,250	

Depreciation expense was $9,050 and $9,321 for the years ended March 31, 2016 and 2015, respectively.

Note 5 - Related Party Transactions

The following is a description of transactions between the Company and related parties:

Accounts Payable

At March 31, 2016 and 2015, the Company had net accounts payable to related parties totaling $3,136,613 and $2,823,506, respectively.

Purchases

For the years ended March 31, 2016 and 2015, the Company had purchases of ion exchange resins, absorption chillers, and spare parts from Thermax Ltd. totaling $10,102,389 and $7,845,500, respectively. For the years ended March 31, 2016 and 2015, the Company had purchases of absorption chillers from Thermax (Zhejiang) Cooling & Heating Engg. Co., Ltd. totaling $291,000 and $737,000, respectively.

Note 6 - Operating Leases

The Company conducts its operations in leased facilities in Texas. The Company leases office space under a noncancelable operating lease that expires November 30, 2022. The Company has also leased office equipment and automobiles under noncancelable operating leases. The lease expense for the years ended March 31, 2016 and 2015 was $93,147 and $74,982, respectively.

Future minimum annual commitments under these operating leases are as follows:

Years Ending March 31	Amount
2017	$ 81,994
2018	75,649
2019	60,320
2020	58,700
2021	60,140
Thereafter	103,356
Total	$ 440,159

Note 7 - Warranty and Start up Costs

The Company has a policy to record provisions for start up costs and warranties (for sales before April 1, 2012 see revenue recognition policy in Note 2 for additional information) related to the sale of vapor absorption chillers under its energy business segment. These provisions are recorded as and when the related sales income is recorded. These provisions are based on the estimates of likely expenses for start up of the chillers and warranty claims, considering the types of chillers, geographical location of the job sites, capacity of the chillers under consideration, and past performance data.

The Company adjusts these provisions as and when the chillers are started up and on expiration of the chiller warranties.

The Company has accrued $133,000 and $106,000 at March 31, 2016 and 2015, respectively, for estimated chiller start up costs. In addition, the Company has accrued $36,279 and $59,279 at March 31, 2016 and 2015, respectively, for estimated future warranty claims.

Note 8 - Line of Credit

The Company had available borrowings of $750,000 under a line of credit agreement with a bank that matured July 7, 2015 and an extension is currently in progress. Interest was payable monthly at a rate of 3.00 percent above LIBOR (an effective rate of 3.44 and 3.19 percent at March 31, 2016 and 2015, respectively) and was secured by all assets of the Company. There were no borrowings outstanding under the line of credit agreement at March 31, 2016 and 2015.

Note 9 - Income Taxes

The components of the income tax provision included in the statement of operations are all attributable to continuing operations and are detailed as follows:

	2016	2015
Current income tax expense	$ 390,248	$ 489,786
Deferred income tax benefit	(71,000)	(2,000)
Total income tax expense	$ 319,248	$ 487,786

A reconciliation of the provision for income taxes to income taxes computed by applying the statutory United States federal rate to income before taxes is as follows:

	2016	2015
Income tax expense, computed at 34 percent of pretax income	$ 304,458	$ 453,197
State income taxes-Net of federal tax benefit	9,750	31,235
Nondeductible expenses and adjustments to prior year estimate Net	5,040	3,354
Total income tax expense	$ 319,248	$ 487,786

The details of the net deferred tax asset are as follows:

Deferred tax assets:		
Warranty reserve	$ 12,300	$ 20,200
Inventory reserve	22,700	22,000
Section 263A	16,900	11,600
Accrued bonuses	13,200	23,800
Other	117,900	31,400
Gross deferred tax assets	183,000	109,000
Deferred tax liabilities-Depreciation	9,000	6,000
Net deferred tax asset	$ 174,000	$ 103,000

No valuation allowance has been recognized for the deferred tax assets.

The Company files income tax returns in U.S. federal and various state jurisdictions. With few exceptions, the Company is no longer subject to income tax examinations by taxing authorities for years ended before March 31, 2012. There are no pending or ongoing tax examinations.

Note 10 - Segment Information

The Company has two reportable segments, the environment segment and the energy segment.

The environment segment is engaged in the distribution of ion exchange resins and the energy segment is engaged in the distribution of absorption chillers and the sale of spares. The two segments consist of distinct product lines that are managed separately, as each has different marketing and distribution requirements.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies in Note 2. All corporate expenses have been allocated to reportable segments based on revenue generated. For the years ended March 31, 2016 and 2015, the allocation was 66 percent and 72 percent to the environment segment and 34 percent and 28 percent to the energy segment, respectively. Segment profit is based on operating profit before income taxes.

Intersegment charges for administrative services are allocated by management.

The following is summarized information about profit or loss, assets, and other information for each reportable segment for the years ended March 31, 2016 and 2015:

	2016	2015
Environment Segment		
Revenue from external customers	$ **9,351,657**	$ 10,691,043
Other revenue	**79,515**	119,624
Segment pre-tax profit	**1,068,641**	1,258,373
Segment assets	**3,474,619**	3,863,215
Segment liabilities	**667,653**	1,739,638
Energy Segment		
Revenue from external customers	**3,799,525**	4,126,882
Commission income	**-**	21,225
Other revenue	**11,457**	4,946
Segment pretax profit	**(173,176)**	74,560
Segment assets	**3,298,085**	2,148,491
Segment liabilities	**3,574,044**	1,906,493

The following are reconciliations from the segment information above to the amounts reported in the accompanying financial statements for the years ended March 31, 2016 and 2015:

	2016	2015
Revenue by Country		
United States	$ **10,462,079**	$ 11,331,912
South America	**409,456**	219,780
Canada	**253,946**	516,217
Mexico	**-**	260,000
Other	**2,116,673**	2,635,811
Total revenue	$ **13,242,154**	$ 14,963,720
Assets		
Total assets for reportable segments	$ **6,772,704**	$ 6,011,706
Unallocated amounts	**1,652,293**	1,542,857
Total assets	$ **8,424,997**	$ 7,554,563
Liabilities		
Total liabilities for reportable segments	$ **4,241,697**	$ 3,646,131
Unallocated amounts	**116,470**	417,819
Total liabilities	$ **4,358,167**	$ 6,019,512

Revenue is allocated based on the geographic location of the customers.

Revenue from one customer of the environment segment represents approximately $3,266,000 (25 percent) and $2,934,000 (20 percent) of the Company's total revenue for the years ended March 31, 2016 and 2015, respectively. Revenue from one customer of the energy segment represents approximately $2,291,000 (17 percent) and $1,493,000 (10 percent) of the Company's total revenue for the years ended March 31, 2016 and 2015, respectively.

Note 11 - Retirement Plans

The Company has a defined contribution profit sharing 401(k) plan covering substantially all employees. Company contributions are discretionary. The Company has the option to match up to 50 percent of an employee's deferral amount, not to exceed 4 percent of the employee's compensation. For the years ended March 31, 2016 and 2015, the Company made matching contributions totaling $19,830 and $18,524, respectively.

Note 12 - Contingencies and Settlements

The Company is subject to various legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the amount of any ultimate liability with respect to these actions, if any, will not materially affect the Company's financial statements.

THERMAX DO BRASIL – ENERGIA E EQUIPAMENTOS LTDA

Supervisory Board

Ashish Vaishnav
Abhay Shah

Registered Office

Av. Paulista, 37-04
ander-Edificio Pq
cultural Paulista
São Paulo, SP, Brazil

Auditors

Novamir Auditoria E Servicos Contabeis
CRC- SP 2SP 024.744
São Paulo, Brazil

Bankers

Banco Citibank S. A.
Banco Real S. A.

AUDITOR'S REPORT

To Quotaholders

Thermax do Brasil – Energia e Equipamentos Ltda.

São Paulo - SP

1. We have examined the balance sheet of **Thermax do Brasil – Energia e Equipamentos Ltda.,** as of March 31, 2016 and the related statements of income, changes in quotaholders' equity and changes in financial position for the period then ended, which are the responsibility of its management. Our responsibility is to express an opinion on these financial statements.

2. We conducted our audit in accordance with auditing standards generally accepted in Brazil and, accordingly, included: a) the planning of the audit work, considering the materiality of the balances, volume of transactions, and the system of internal controls of the Company; b) the verification on a test basis, of the evidence and records which support the values and information in the published financial statements; and c) evaluation of the accounting practices and the more material accounting estimates adopted by Company management as well as the presentation of the financial statements taken as a whole.

3. In our opinion, the financial statements referred in the paragraph 1 present fairly, in all material respects, the financial position of **Thermax do Brasil – Energia e Equipamentos Ltda.** as of March 31, 2016, and of the results of their operations, changes in their quotaholders' equity and changes in its financial position for the period then ended, in accordance with accounting principles generally accepted in Brazil.

NOVAMIR AUDITORIA E SERVIÇOS CONTABEIS

CNPJ no. 04.933.947/0001-06

CRC- SP 2SP 024.744

São Paulo, Brazil

May, 06, 2016

Statement of Income for the year ended March 31, 2016

PARTICULARS	2016 BRL	2016 Rs Lacs	2015 BRL	2015 Rs Lacs
GROSS INCOMES				
Sale of services	**11,610**	**2.14**	90,000	17.61
	11,610	**2.14**	90,000	17.61
DEDUCTION FROM GROSS INCOMES				
Tax incident on sales	**(5,597)**	**(1.03)**	(15,846)	(3.10)
Gross profit	**6,013**	**1.11**	74,154	14.51
OPERATING EXPENSES				
General and administrative expenses	**(74,502)**	**(13.74)**	(47,325)	(9.26)
Financial (expenses)/ income	**6,342**	**1.17**	7,202	1.41
Other income /(expense) including Provision for Bad Debts	**65,230**	**12.03**	(84,175)	(16.47)
	(2,931)	**(0.54)**	(124,299)	(24.32)
Net Profit/Loss before tax	**3,082**	**0.57**	(50,144)	(9.81)
Revenue/expenses not operational	-	-	-	-
Taxes on income	-	-	-	-
Net Profit / (Loss)	**3,082**	**0.57**	(50,144)	(9.81)

Exchange Rate : As at 31 Mar 16 is 1 BRL = Rs 18.44

Exchange Rate : As at 31 Mar 15 is 1 BRL = Rs 19.56

Balance Sheets as at March 31, 2016

PARTICULARS	2016 BRL	2016 Rs Lacs	2015 BRL	2015 Rs Lacs
SOURCES OF FUNDS				
Shareholders' Funds :				
Share Capital	**1,087,130**	**200.48**	1,087,130	212.67
Accumulated losses	**(833,907)**	**(153.78)**	(836,989)	(163.73)
Total Funds Employed	**253,223**	**46.70**	250,141	48.93
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	-	-	-	-
Less: Depreciation	-	-	-	-
Net Block	-	-	-	-
Current Assets:				
Cash & Bank Balances	**256,021**	**47.21**	251,389	49.18
Trade receivables	**32,758**	**6.04**	100,000	19.56
(-) Provision for doubtful accounts	**(32,758)**	**(6.04)**	(100,000)	(19.56)
Recoverable taxes	**11,743**	**2.17**	11,743	2.30
(-) Provision for losses	**(10,941)**	**(2.02)**	(10,941)	(2.14)
	256,823	**47.36**	252,191	49.33
Less : Current Liabilities & Provisions :				
Accounts payable	-	-	-	-
Taxes payable	**10,813**	**1.99**	12,825	2.51
Other accounts payable	**3,600**	**0.66**	2,050	0.40
(-) Reversal Taxes (Bad Debts)	**(10,813)**	**(1.99)**	(12,825)	(2.51)
	3,600	**0.66**	2,050	0.40
Net Current Assets	**253,223**	**46.70**	250,141	48.93
Total Funds Applied	**253,223**	**46.70**	250,141	48.93

Statement of Changes in Quotaholders' Equity Year Ended March 31, 2016

	Capital		Accumulated losses		Total	
	BRL	**Rs Lacs**	**BRL**	**Rs Lacs**	**BRL**	**Rs Lacs**
Balances at April 1, 2015	1,087,130	200.48	(836,989)	(154.35)	250,141	46.13
Funds allocated to capital increase	-	-	-	-	-	-
Net Profit/ (Loss) for the period	-	-	3,082	0.57	3,082	0.57
Balances at March 31, 2016	1,087,130	200.48	(833,907)	(153.78)	253,223	46.70

Statement of Changes in Financial Position Year ended March 31, 2016

Sources	2016 BRL	2016 Rs Lacs	2015 BRL	2015 Rs Lacs
From Operations				
Net Profit/(loss) for the period	**3,082**	**0.57**	(50,144)	(9.81)
Expenses (incomes) that do not affect net working capital:				
Depreciation	-	-	-	-
Advance to Capital	-	-	-	-
Total sources	**3,082**	**0.57**	(50,144)	(9.81)
Applications	-	-	-	-
Reduction in net working capital	**3,082**	**0.57**	(50,144)	(9.81)

Statement of variation in net working capital

	March 31 2016 BRL	March 31 2016 Rs Lacs	March 31 2015 BRL	March 31 2015 Rs Lacs	Variation 2015 BRL	Variation 2015 Rs Lacs
Current Assets	256,823	47.36	252,191	46.51	4,632	0.85
Current Liabilities	3,600	0.66	2,050	0.38	(1,550)	(0.29)
Net working capital	**253,223**	**46.70**	**250,141**	**46.13**	**3,082**	**0.57**

Notes to the Financial Statements for the year ended March 31, 2016

1. **Operational Context**

The Company is a subsidiary of Thermax Ltd which in turn is a subsidiary of RDA Holdings Private Limited, a Company incorporated in India. The Company's business activities mainly consist of rendering services, including technical assistance, which may be provided through hiring outsourced companies.

2. **Presentation of the Financial Statements**

The financial statements were prepared in accordance with accounting practices emanated from the Brazilian Corporation Law.

3. **Summary of the Significant Accounting Policies**

a. **Revenue and expenses recognition**

Income and expenses are recorded on monthly accrual basis.

b. **Current and long-term assets**

Current and long-term assets are recorded at lower of cost or market value plus accrued income until the end of the period. An allowance is recorded in case the market value is lower than cost.

c . **Current and long-term liabilities**

Liabilities are recorded at known or estimated amounts.

4. **Trade Receivables**

Description	**2016 BRL**
Accounts receivable	32.757,94
(-) Provision for Doubtful Debts	(32.757,94)
Net accounts receivable	-

The Company decided to make a provision for accounts receivables due the uncertainty of recovery of receivables from Consulthermos.

5. **Recoverable Taxes**

Description	**2016 BRL**
IRPJ – 2005	89,28
CSLL – 2005	10.851,37
IRRF – Authorized	802,03
	11.742,68
Provision for losses	**(10.940,65)**
Net	**802.03**

The value of the recoverable taxes basically represents withholding taxes by the Customers. The possibility of setting off the recoverable taxes was authorized by Federal Authorities in May, 2013.

6. **Taxes and Contributions payable**

Description	**2016 BRL**
PIS	1.251,98
COFINS	5.766,76
ISS – SALES	3.793,92
(-)Reversal – Taxes – Bad Debts	(10.812,66)
Net Taxes and Contributions payable	-

The above balances were compared with the tax books of the Company and subsequent events and do not present differences.

The Company recorded a reversal of taxes payable in view of the uncertainty of recovery of receivables from Consulthermos.

7. **Other liabilities**

Description	**2016 BRL**
Rent	1.800,00
Audit Fee	1.800,00
TOTAL	**3.600,00**

8. **Capital Social**

The paid-in Capital is represented by R$ 1.087.130,00 with nominal value of R$ 1,00 (one real) each.

9. **Services**

The company's total sales from services amounted to R$ 11.610,20 as presented below:

Description	**2016 BRL**
Services Sales	11.610,20
Net sales	**11.610,20**

The services sales amounts were checked against the company's tax books and do not present differences.

The value of Services Sales represents the invoices for the months from May to July of 2015 and were received by the company.

After July, 2015, the company made no estimated provision of Services Sales to Consulthermos due to the uncertainty in the receipt of these amounts.

10. **Taxes incident on Services**

The company's total taxes related to service, amounted to R$ 5.597,00, as presented below:

Description	**2016 BRL**
ISS - SALES	4.523,12
COFINS – SALES	882,33
PIS – SALES	191,55
TOTAL	**5.597,00**

11. **Operating Expenses**

The composition of the "Operating Expenses" account is presented below:

Description	**2016 BRL**
Rents/Condominium	22.090,00
Accounting Outsourcing	41.600,00
Juridical Services	6.505,00
Auditory	1.800,00
Mail/Post Office	719,45
Taxes	1.787,99
TOTAL	**74.502,44**

12. **Financial (expenses) income**

The balance of the Financial (expenses) income and exchange variation income account is presented below:

Description	**2016 BRL**
Bank Expenses	(687,65)
Finance Income	7.029,65
TOTAL	**6.342,00**

13. **Other Income/Expense**

The balance of the Other Income/Expense is presented below:

Description	**2016 BRL**
Reversal Bad Debits – Consulthermos	67.242,06
Reversal – Taxes – Consulthermos	(2.012,34)
TOTAL	**65.229,72**

14 . **Identified Contingencies**

There are no identified tax and accounting contingencies for the year ended on March 31, 2016 (Previous Year Nil)

NOVAMIR AUDITORIA E SERVIÇOS CONTABEIS
CNPJ no. 04.933.947/0001-06
CRC- SP 2SP 024.744
São Paulo, Brazil
May, 06, 2016

THERMAX (ZHEJIANG) COOLING & HEATING ENGINEERING CO., LTD

Supervisor
H. P. Mohgaonkar

Registered Office
No. 645,
Chayuan Road,
Jiaxing Economic Development Zone,
Jiaxing, Zhejiang, PRC.
Post 314003

Auditors
Zhejiang Zhong Ming Certified Public Accountants Co. Ltd.
Jiaxing, China

Executive Director
Ashish Vaishnav

General Manager
V. Balasubramanian

Bankers
Industrial and Commercial Bank of China
Citi Bank, China

AUDITOR'S REPORT

ZZKS[2016]NO.

TO

THERMAX (ZHEJIANG) COOLING & HEATING ENGINEERING CO., LTD.

We have audited the accompanying financial statements of Thermax (Zhejiang) Cooling & Heating Engineering Co., Ltd. (herein after referred as "the Company"), which comprise the balance sheet as of 31 December 2015, the income statement, cash flow statement and statement of changes in owners' equity for the year then ended and notes to the financial statements.

I. Responsibility of management

The Company's management is responsible for the preparation and fair presentation of these financial statements. This responsibility includes (1) Preparing these financial Statements in accordance with the Accounting Standards for Business Standards and Accounting System for Business Enterprises and enabling them to achieve a fair reflection; (2) designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

II. Responsibility of auditors

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Independent Auditing Standards for Certified Public Accountants. Those Standards require 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 misstatements.

Our audit work involves implementation of audit procedures to obtain the audit evidences relating to amount and disclosure of financial statements. The selection of audit procedures depends on judgment of certified public accountants, including the appraisal of material misstatement risk of the financial statements resulting from cheating or errors. During the execution of risk appraisal, the certified public accountants have considered the internal control relating to preparation and fair presentation of financial statements to design proper audit procedures, but the purpose is not to express an opinion on validity of internal control. The audit work also includes appraising whether the management applied proper accounting policy and made reasonable accounting estimate and appraising the overall presentation of these financial statements.

We believe the audit evidences obtained by us are sufficient and proper and shall provide the basis for expressing our audit opinion.

III. Audit opinion

In our opinion, the financial statements of the Company have been prepared in accordance with Accounting Standards for Business Enterprises and the Accounting System for Business Enterprises, and present fairly, in all material aspects, the financial position of the Company as of 31 December 2015 and the results of its operations and its cash flows for the year then ended.

Zhejiang Zhong Ming Certified Public Accountants Co., Ltd

Certified Public Accountant: Li Aizhong

Certified Public Accountant: Luo Bin

Jiaxing, China

Date: March 14, 2016

The auditor´s report and the accompanying financial statements are English translations of the Chinese auditor´s report and statutory financial statements prepared under accounting principle and practices generally accepted in the People´s Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principle and practices generally accepted in other countries and jurisdictions .In case the English version does not conform to the Chinese version, the Chinese version prevails.

Balance Sheet as at 31 December, 2015

PARTICULARS	2015		2014	
	RMB	**Rs Lacs**	RMB	Rs Lacs
ASSETS				
CURRENT ASSETS				
Cash & cash equivalents	**1,096,877**	111.76	3,066,401	312.27
Accounts receivable	**25,388,453**	2,586.91	19,657,644	2,001.88
Other receivables	**1,469,051**	149.69	1,709,930	174.13
Advance to suppliers	**1,702,744**	173.50	509,528	51.89
Inventories	**12,581,354**	1,281.95	14,819,257	1,509.15
Prepaid expenses	**319,191**	32.52	328,021	33.40
Allowance receivable	-	-	-	-
TOTAL CURRENT ASSETS	**42,557,670**	4,336.33	40,090,781	4,082.73
NON-CURRENT ASSETS				
Fixed Assets - cost	**60,678,771**	6,182.75	60,510,014	6,162.16
Less: Accumulated depreciation	**29,456,911**	3,001.46	25,660,888	2,613.23
Fixed Assets - Net book value	**31,221,861**	3,181.29	34,849,126	3,548.93
Intangible assets	**5,754,728**	586.37	5,897,935	600.63
Long-term deferred and prepaid expenses	-	-	-	-
TOTAL NON-CURRENT ASSETS	**36,976,589**	3,767.66	40,747,062	4,149.56
TOTAL ASSETS	**79,534,259**	8,103.99	80,837,842	8,232.29
LIABILITIES AND OWNER'S EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	**14,909,013**	1,519.13	16,233,553	1,653.18
Accounts payable	**19,264,582**	1,962.93	18,469,993	1,880.93
Advances from customers	**3,804,590**	387.66	3,595,501	366.16
Accrued Payroll	**186,170**	18.97	72,862	7.42
Taxes payable	**(458,665)**	(46.73)	54,363	5.54
Other amounts payables	**327,774**	33.40	314,627	32.04
Accrued expenses	**12,455,574**	1,269.14	9,977,021	1,016.03
TOTAL CURRENT LIABILITIES	**50,489,038**	5,144.48	48,717,920	4,961.29
OWNER'S EQUITY				
Paid in capital	**95,039,017**	9,683.82	95,039,017	9,678.49
Accumulated losses	**(65,993,797)**	(6,724.31)	(62,919,095)	(6,407.49)
TOTAL OWNER'S EQUITY	**29,045,221**	2,959.51	32,119,922	3,271.00
TOTAL LIABILITIES AND OWNER'S EQUITY	**79,534,259**	8,103.99	80,837,842	8,232.29

Statement of changes in Equity for the year ended 31 December, 2015

	Share Capital		Accumulated Losses		**Total**	
	2015	**2015**	2015	2015	**2015**	**2015**
	RMB	**Rs Lacs**	RMB	Rs Lacs	**RMB**	**Rs Lacs**
Balances at 1 January 2016	**95,039,017**	**9,683.82**	(62,919,095)	(6,411.02)	**32,119,922**	**3,272.80**
Profit for the current period	**-**	**-**	(3,074,702)	(313.29)	**(3,074,702)**	**(313.29)**
Balances at 31 December 2015	**95,039,017**	**9,683.82**	**(65,993,797)**	**(6,724.31)**	**29,045,221**	**2,959.51**

Income Statement for the year ended 31 December, 2015

PARTICULARS	2015		2014	
	RMB	**Rs Lacs**	RMB	Rs Lacs
Revenue from main operations	**68,748,322**	**7,004.98**	75,083,494	7,646.28
Revenue from other operations	**2,713,851**	**276.52**	2,293,804	233.59
Less : Cost of main operations	**54,264,021**	**5,529.13**	59,673,217	6,076.94
Cost of other operations	**1,553,850**	**158.33**	807,446	82.23
Operation expenses	**9,157,202**	**933.06**	8,730,884	889.13
General and administrative expenses	**9,412,278**	**959.05**	8,269,919	842.18
Financial expenses	**251,749**	**25.65**	984,201	100.23
Loss from Operations	**(3,176,927)**	**(323.71)**	(1,088,370)	(110.84)
Add: Revenue from subsidies	**98,279**	**10.01**	108,423	11.04
Non-operating revenue	**10,033**	**1.02**	23,715	2.42
Less: Non-operating expenses	**6,086**	**0.62**	19,187	1.95
Loss before tax	**(3,074,702)**	**(313.29)**	(975,420)	(99.33)
Income tax	**-**	**-**	-	-
Net loss for the year	**(3,074,702)**	**(313.29)**	(975,420)	(99.33)

The annexed Notes form an integral part of financial statements.
Exchange rate : as at 31 December 2015 is 1 RMB = Rs 10.19
Exchange rate : as at 31 December 2014 is 1 RMB = Rs 10.18

Cash Flow Statement for the year ended 31 December, 2015

PARTICULARS	2015		2014	
	RMB	**Rs Lacs**	RMB	Rs Lacs
Cash Flows from Operating activities				
Cash received from sale of goods or rendering of services	**70,144,011**	**7,147.19**	74,464,849	7,583.28
Refund of taxes	**1,277,656**	**130.18**	1,302,028	132.59
Other cash received relating to operating activities	**250,911**	**25.57**	112,313	11.44
Cash paid for goods & services	**(49,912,471)**	**(5,085.73)**	(54,483,686)	(5,548.46)
Cash paid to & on behalf of employees	**(11,867,908)**	**(1,209.26)**	(14,818,805)	(1,509.10)
Other cash paid relating to operating activities	**(8,909,187)**	**(907.78)**	(5,500,805)	(560.19)
Net cash used in operating activities	**983,013**	**100.16**	1,075,894	109.57
Less : Payment of all types of taxes	**1,455,514**	**148.31**	2,086,062	212.44
Net cash used in operating activities	**(472,501)**	**(48.14)**	(1,010,168)	(102.87)
Cash Flows from Investing activities				
Net cash received from disposal of Fixed Assets, Intangible Assets and other long term assets	**-**	**-**	-	-
Acquisition of Fixed Assets, Intangible Assets and Other long term assets	**(252,738)**	**(25.75)**	(237,686)	(24.21)
Net cash used in investing activities	**(252,738)**	**(25.75)**	(237,686)	(24.21)
Cash Flows from Financing activities				
Cash Received from investors	**-**	**-**	-	-
Cash Received from borrowings	**31,359,013**	**3,195.27**	32,083,552	3,267.29
Repayment of borrowings	**(32,683,553)**	**(3,330.23)**	(27,850,000)	(2,836.16)
Cash paid for distribution of dividends or profits and for interest expenses	**(936,318)**	**(95.40)**	(993,639)	(101.19)
Net cash received in financing activities	**(2,260,857)**	**(230.37)**	3,239,913	329.94
Effect of Foreign exchange rate changes on cash and cash equivalents	**1,016,573**	**103.58**	84,866	8.64
Net decrease in cash at banks and in hand	**(1,969,524)**	**(200.68)**	2,076,926	211.51
Cash at banks and in hand at beginning of year	**3,066,401**	**312.45**	989,476	100.77
Cash at banks and in hand at end of year	**1,096,877**	**111.76**	3,066,401	312.27

Supplemental Information to the Cash Flow Statement
For the year ended 31 December, 2015

PARTICULARS	2015		2014	
	RMB	**Rs Lacs**	RMB	Rs Lacs
1. Reconciliation of net profit to cash flows from operating activities				
Net Profit	**(3,074,702)**	**(313.29)**	(975,420)	(99.33)
Add: Impairment losses on assets	**1,236,734**	**126.01**	(46,490)	(4.73)
Depreciation of fixed assets	**3,847,832**	**392.07**	3,880,240	395.15
Amortization of intangible assets	**169,623**	**17.28**	176,928	18.02
Amortization of long-term deferred expenses	**-**	**-**	6,938	0.71
Decrease in prepaid expenses	**8,831**	**0.90**	96,648	9.84
Increase in accrued expenses	**2,478,552**	**252.55**	888,490	90.48
Net loss on disposal of fixed assets	**5,757**	**0.59**	16,576	1.69
Financial expenses	**(80,255)**	**(8.18)**	908,773	92.55
Decrease in inventories	**2,451,966**	**249.84**	2,245,682	228.69
Decrease in operating receivables	**(8,176,343)**	**(833.11)**	(5,492,837)	(559.37)
Increase in operating payables	**659,505**	**67.20**	(2,715,696)	(276.56)
Net cash flow operating activities	**(472,501)**	**(48.14)**	(1,010,168)	(102.87)
2. Net change in cash equivalents				
Cash balance at the end of this year	**1,096,877**	**111.76**	3,066,401	312.27
Less: Cash balance at the beginning of the year	**3,066,401**	**312.45**	989,475	100.77
Add: Cash equivalents at the end of the year	**-**	**-**	-	-
Less: Cash equivalents at the beginning of the year	**-**	**-**	-	-
Net increase of cash and cash equivalents	**(1,969,524)**	**(200.68)**	2,076,926	211.51

NOTES TO THE FINANCIAL STATEMENTS

For the year ended Dec.31, 2015

(Unless otherwise specified, all amounts are in RMB)

1. Company background

Thermax (ZheJiang) Cooling & Heating Engineering Company Limited (the "Company") is a wholly foreign owned enterprise established in Jiaxing, Zhejiang Province in the People's Republic of China (PRC) by Thermax Limited. The Company obtained an approval certificate Shang Wai Zi-Zhe Fu Zi Jia Zi [2006] No.03662 from the People's Government of Zhejiang Province on 14 December 2006, and a unified social credit code (No.91330400796482294P) on 22 October 2015 issued by Zhejiang Province Administration of Industry and Commerce of the PRC. The registered capital is USD13, 470,000 and the paid-in capital is USD 13, 470,000.

The operating activities mainly include products and services in heating, cooling, waste heat recovery, captive power, water treatment and recycling, waste management and performance chemicals

2. Significant accounting policies accounting estimates

2.1 Accounting regulations

The financial statements have been prepared in accordance with Accounting Standards for Business Enterprise-Basic Standard issued in 2006, specific accounting standards issued before 2006 and the "Accounting System for Business Enterprises" as promulgated by the State of the People's Republic of China.

2.2 Accounting period

The Company adopts the calendar year as its accounting year, i.e. from January 1 to December 31.

2.3 Reporting currency

The recording currency of the Company is RMB.

2.4 Basis of preparation and measurement basis

The financial statements of the Company have been prepared on an accrual basis. Unless otherwise stated, the measurement basis used is historical cost.

2.5 Translation of foreign currencies

Foreign currency transactions are translated into RMB at the exchange rates stipulated by the People's Bank of China at the beginning of the month. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RMB at the stipulated exchange rates at the balance sheet date. Exchange differences relevant to the acquisition of fixed assets are recorded as the acquisition cost of fixed assets. Exchange differences irrelevant to the acquisition of fixed assets are recorded as long-term prepaid expenses if arising during the pre-operating period or recorded as finance expenses if not.

2.6 Cash equivalents

Cash equivalents refer to short-term (due within three months) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.7 provision for bad debts

Provision for bad debts on trade and other receivables is accounted for using the allowance method: Aging analysis method. Aging analysis method is based on relevant information such as past experience, actual financial position and cash flows of debtors, as well as other relevant information. Company Policy : A 100% Provision to be made for Receivables (other than Retentions) which are more than 2 years and 50% provision to be made for Receivables (other than Retentions) which are more than one year but less than two years.

Criteria for recognition of bad debts: (1) The irrecoverable amount for a debtor who becomes bankrupt after pursuing the statutory recovery procedures or died and has no offsetting estate and obligatory undertakes. (2) The irrecoverable amount or this amount with less possibility to be recovered with sufficient evidence for a debtor who does not comply with repayment obligation after the debt becomes due.

2.8 Inventory costing method

Inventories encompass finished goods produced, or work in progress being produced by the enterprise and include materials and supplies awaiting use in the production process.

Inventories are stated at actual cost. The cost of materials is assigned using the Weighted Moving Average Method, the cost of finished goods and work-in-progress are assigned using specific identification of their individual costs. Low-value consumables are written-off in full when issued for use.

Inventories are measured at the lower of cost and net realizable at the end of a period.

If inventories are damaged, they have become wholly or partially obsolete, or if their selling prices have declined. Where the net realizable value is lower than the cost, the differences is recognized as the Provision for obsolete stocks. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished products will exceed net realizable value, the materials are written down to net realizable value. As per company policy, Inventory Obsolete provision has been made for100% if Inventory aged more than two years & 50% if inventory is aged more than one year but less than two years.

2.9 Valuation and depreciation of the fixed assets

1) Fixed assets are recorded at actual costs. Fixed assets are assets held by the company for use in the production of goods and for administrative purposes. They are expected to be used for more than one year.

2) The valuation of fixed assets:

(1) Fixed assets purchased are recorded at cost plus packaging expenditure, freight, installation cost as well as related unrecoverable taxes.

(2) Fixed assets constructed by the Company are recorded at all the expenditure that is related to the construction before they are ready for their intended use.

(3) Fixed assets invested by shareholder are recorded at the confirmed value by all shareholders.

(4) Fixed assets accepted as the compensation of debts from debtors or obtained in a non-monetary transaction, are recorded at values confirmed in accordance with Debt Recombination and Non-monetary Transaction Postulates.

3) Fixed assets are depreciated using the straight-line method of the assets. The estimated useful lives, estimated residual value rate expressed as a percentage of cost and depreciation rate are as follows:

Category	Estimated useful life	Estimated residual value rate	Estimated annual depreciation rate
Buildings	20 years	10%	4.5%
Machinery	10 years	10%	9%
Electronic equipment	3 -5 years	10%	18-30%

4) Fixed assets are valued at the lower of the carrying value and the recoverable amount. Individual assets for which there are indications that the carrying values are higher than their recoverable amounts, arising from the occurrence of events or changes in circumstances, are viewed for impairment. If the carrying value of such assets is higher than the recoverable amount, the excess is recognized as an impairment loss. When there is an indication that the need for an impairment provision record in a prior period no longer exists or has decreased; the provision for impairment loss is reversed to the extent of the impairment loss previously recognized.

2.10 Construction in progress

Construction in progress is recorded at its real costs

(1) Direct expenditure on contracted construction comprises the contract price, the original cost of machinery and equipment, installation costs, interests and discount or premium amortization on specific borrowings, as well as capitalized exchange differences.

(2) Direct expenditure on self-operated construction comprises the used material costs, raw material costs with tax cannot be deducted, inventory's costs with related taxes, costs of labor service provided by the Company's aided production department, interests and discount or premium amortization on specific borrowings, as well as capitalized exchange differences.

When the construction has reached its expected usable condition but without final accounting completed, the estimated construction cost in that account is capitalized as fixed assets in accordance with the budget, construction cost or real costs. The fixed asset's book value should be adjusted after final accounting completion.

Impairment of construction in progress should be recognized when

(1) The construction in progress is suspended for a long period and is not expected to be resumed in three years, or

(2) Construction project is technically and physically obsolete and its economic benefits to the company are uncertain.

2.11 Intangible assets

1) Intangible assets are recorded at actual costs when obtained.

2) The cost of an intangible asset are amortized evenly over its expected useful life or the effective period stipulated by law (whichever is shorter) starting in the month in which it is obtained. If neither of the above can be determined, the amortization period should not be longer than 10 years.

If an intangible asset brings no more future economic benefits, its carrying amount should be recognized in the income statement for the current period.

3) The Company reviews the carrying amount of its intangible assets as well as its recoverable net value at the balance sheet date. The difference by which the recoverable amount is lower than the carrying amount of the intangible assets should be provided for and recognized.

2.12 Long-term prepayments

Long-term prepayments are recorded at the actual costs and amortized evenly over the beneficial periods of their own. If a long-term prepayment brings no more future economic benefits, its book value should be recognized in the income statement for the current period.

2.13 Revenue recognitions

Revenue from the sale of goods is recognized with following basis:

(1) The seller has transferred the significant risks and rewards of ownership to the buyer;

(2) The seller does not retain continuing managerial involvement to the degree usually associated with ownership and does not have effective control over the goods sold;

(3) It is probable that the economic benefits associated with the transaction will flow to the enterprise;

(4) The amount of revenue and the costs incurred or to be incurred in respect of the transaction is measured reliably.

<u>Revenue from services is recognized with following basis:</u>

(1) When the provision of services is started and completed within the same fiscal year, revenue is recognized at the time of completion of the services when the money or the right to collect the money is received.

(2) When the provision of services is started and completed in different fiscal years, the Company recognizes the service revenue at the balance sheet date by the use of the percentage of completion method. The outcome of a transaction can be estimated reliably when all of the following conditions are satisfied: (a) the total amount of service revenue and costs can be measured reliably; (b) it is probable that the economic benefits associated with the transaction will flow to the enterprise; and (c) the stage of completion of the services provided can be measured reliably.

(3) When the result of the long construction contract can be estimated authentically, revenue from service as well as the cost should be recognized according to the percentage of completion.

2.14 Accounting for income tax

Income tax is recognized under the tax payable method.

3. TAXATION

3.1 Value Added Tax (VAT)

The company's sales of products are subjected to Value Added Tax (VAT). The applicable tax rate for domestic sales is 17%. Sale of Goods in overseas market is subject to the method of tax exemption, credit and refund, the refund rate is 17%.

3.2 Enterprise Income Tax

The statutory rate of corporate income tax applicable to the Company is 25%.

4. MAIN ITEMS OF THE FINACIAL STATEMENTS

4.1 Cash and equivalents

Items	2015-12-31			2014-12-31		
	Original currency	E/X rate	RMB amount	Original currency	E/X rate	RMB amount
Cash on hand			28,226.90			65,785.30
RMB	16,174.26		16,174.26			59,666.30
USD	400.00	6.4936	2,597.44	1,000.00	6.1190	6,119.00
AUD	2,000.00	4,7276	9,455.20			
Cash in bank			1,068,650.08			3,000,615.65
RMB	1,068,629.24		1,068,629.24			1,733,122.38
USD	2.86	6.4936	18.57	113,737.33	6.1190	695,958.72
EUR	0.18	7.0952	1.28	74,963.4	7.4556	558,897.12
AUD	0.21	4,7276	0.99	2,518.72	5.0174	12,637.43
Total			1,096,876.98			3,066,400.95

4.2 Accounts receivable

4.2.1 Age analysis

Account Age	2015-12-31			2014-12-31		
	amount	%	Bad debt provision	amount	%	Bad debt provision
Within 1 year	19,491,238.21	66.09%		14,961,895.13	67.06%	309,595.00
1-2years	6,062,552.18	20.56%	1,275,115.00	4,160,417.43	18.65%	164,124.00
2-3years	2,440,627.74	8.28%	1,330,850.00	2,012,200.00	9.02%	1,214,150.00
Over 3 years	1,497,700.00	5.08%	1,497,700.00	1,176,000.00	5.27%	965,000.00
Total	29,492,118.13	100.00%	4,103,665.00	22,310,512.56	100.00%	2,652,869.00

4.2.2 Foreign currency balance

Currency	Original currency amount	E/X rate	RMB balance
USD$	583,605.54	6.4936	3,789,700.94
EUR	54,600.00	7.0952	387,397.92

4.3 Other receivable

4.3.1 Age analysis

Account Age	2015-12-31			2014-12-31		
	amount	%	Bad debt provision	amount	%	Bad debt provision
Within 1 year	1,311,713.90	89.29%	-	1,537,913.63	89.94%	-
1~2years	36,420.50	2.48%	-	67,379.20	3.94%	-
2~3years	46,379.20	3.16%	-	42,997.26	2.51%	-
Over 3 years	74,537.26	5.07%	-	61,639.59	3.60%	-
Total	1,469,050.86	100.00%	-	1,709,929.68	100.00%	-

4.3.2 Foreign currency balance

Currency	Original currency amount	E/X rate	RMB balance
USD$	14,500.00	6.4936	94,157.20

4.4 Accounts in advance

4.4.1 Age analysis

Account Age	2015-12-31			2014-12-31		
	amount	%	Bad debt provision	amount	%	Bad debt provision
Within 1 year	1,514,629.19	88.95%	-	509,527.89	100.00%	-
1~2years	188,115.00	11.05%				
Total	1,702,744.19	100.00%	-	509,527.89	100.00%	-

4.4.2 Foreign currency balance

Currency	Original currency amount	E/X rate	RMB balance
USD	2,180.25	6.4936	14,157.67

4.5 Inventory

Items	2015-12-31		2014-12-31	
	Amount	Provision for obsolete stocks	Amount	Provision for obsolete stocks
Raw material	4,574,759.47	264,818.81	5,240,932.43	382,645.98
Finished goods	1,154,195.50	60,000.00	443,982.78	156,235.21
Work-in-progress	7,177,217.87	-	9,673,223.43	-
total	12,906,172.84	324,818.81	15,358,138.64	538,881.19

4.6 Other current assets(deferred expenses)

Items	Bal. B/Y	Increase in this year	Amortization in this year	Bal. E/Y
Tuition	66,600.00	458,675.00	482,940.00	42,335.00
Life Insurance	98,912.34	152,213.83	175,019.22	76,106.95
Property Insurance	17,429.87	44,613.31	43,454.34	18,588.84
House rent	145,079.18	313,613.31	378,346.48	79,836.60
rent fee of internet		30,000.00	10,000.00	20,000.00
worker clothing		42,743.59	28,136.07	14,607.52
recruiting cost		13,018.87	10,849.10	2,169.77
consulting fee		8,543.69	6,407.73	2,135.96
tree maintenance fee		15,000.00	12,500.00	2,500.00
waste oil and liquid disposal charge		10,000.00	6,666.64	3,333.36
Public liability insurance		21,395.00	16,046.27	5,348.73
project information service fee		16,981.13	7,075.45	9,905.68
Air compressor d premiums		7,282.06	3,034.20	4,247.86
Road maintenance fees		11,965.81	5,982.91	5,982.90
Nc drilling machine equipment		19,000.00	3,166.67	15,833.33
training fee		15,800.00	-	15,800.00
Others		22,259.62	21,801.25	458.37
Total	328,021.39	1,202,595.81	1,211,426.33	319,190.87

4.7 Fixed assets and accumulated depreciation

Items	Bal. B/Y	Increase in this year	decrease in this year	Bal. E/Y
I Original value	60,510,014.42	-	-	60,678,771.25
Plant and buildings	33,303,687.15	-	-	33,303,687.15
Machinery	25,034,062.34	141,025.63	71,861.55	25,103,226.42
Electronic equipment	401,685.29	83,076.92	57,566.34	427,195.87
Office equipment	528,771.01		46,865.38	481,905.63
Furniture and others	1,241,808.63	120,947.55		1,362,756.18
II Accumulated depreciation	25,660,888.23	-	-	29,456,910.65
Plant and buildings	9,730,138.36	1,498,934.82	-	11,229,073.18
Machinery	14,123,098.99	2,254,848.18	-	16,377,947.17
Electronic equipment	323,842.30	54,699.74	51,809.71	326,732.33
Office equipment	415,353.25	7,891.75	-	423,245.00
Furniture and others	1,068,455.33	31,457.64	-	1,099,912.97
III Impairment of fix assets	-	-	-	-
Plant and buildings	-	-	-	-
Machinery	-	-	-	-
Transportation equipment	-	-	-	-
Office equipment	-	-	-	-
Furniture and others	-	-	-	-
IV Net value of fixed assets	34,849,126.19	-	-	31,221,860.60
Plant and buildings	23,573,548.79	-	-	22,074,613.97
Machinery	10,910,963.35	-	-	8,725,279.25
Electronic equipment	77,842.99	-	-	100,463.54
Office equipment	113,417.76	-	-	58,660.63
Furniture and others	173,353.30	-	-	262,843.21

4.8 Intangible assets

Items	Bal. B/Y	Increase in this year	decrease in this year	Bal. E/Y
Land use right	5,876,478.59		139,088.28	5,737,390.31
3D design software	21,456.79	26,415.09	30,534.24	17,337.64
Total	5,897,935.38	26,415.09	169,622.52	5,754,727.95

4.9 Short-term loans

Bank Name	2015-12-31	2014-12-31
Citibank (china)	14,909,013.28	16,233,552.56
Total	14,909,013.28	16,233,552.56

Note: As of 31 December 2015, the bank loan borrowed from Citibank (china) Co.,Ltd. ShangHai Branch with the amount of RMB 14,909,013.28 is guaranteed by Thermax limited.

4.10 Accounts payable

4.10.1 Age analysis

Account Age	2015-12-31		2014-12-31	
	amount	%	amount	%
Within 1 year	19,150,735.93	99.41%	18,469,992.94	100.00%
1~2years	113,845.70	0.59%	-	-
Total	19,264,581.63	100.00%	18,469,992.94	100.00%

4.10.2 Foreign currency balance

Currency	Original currency amount	E/X rate	RMB balance
USD	78,436.83	6.4936	509,337.40
EUR	7,822.40	7.0952	55,501.49
GBP	5,215.29	9.6159	50,149.71
Total			614,988.60

4.11 Deposit received

4.11.1 Age analysis

Account Age	2015-12-31		2014-12-31	
	amount	%	amount	%
Within 1 year	2,611,702.49	68.65%	2,235,501.40	62.18%
1~2years	772,887.68	20.31%	1,310,000.00	36.43%
2~3years	370,000.00	9.73%	50,000.00	1.39%
Over 3 years	50,000.00	1.31%	-	-
Total	3,804,590.17	100.00%	3,595,501.40	100.00%

4.11.2 Foreign currency balance

Currency	Original currency amount	E/X rate	RMB balance
USD	332,852.65	6.4936	2,159,390.17
Total			2,159,390.17

4.12 Accrued payroll

Item	*2015-12-31*	*2014-12-31*
Payroll for Chinese employee	186,170.31	72,862.28
Total	186,170.31	72,862.28

4.13 Tax and other fees payable

Item	*2015-12-31*	*2014-12-31*
VAT	-626,510.85	-210,420.60
Individual income tax	25,372.32	58,247.35
Land use tax	52,870.00	52,870.00
Stamp tax	1,193.12	3,573.61
Real estate tax payable	87,212.66	139,540.26
Water conservancy construction fund	1,197.40	5,053.45
Business tax	-	4,909.52
Local education surtax	-	98.19
urban maintenance and construction tax	-	343.67
Education surtax	-	147.29
Total	-458,665.35	54,362.74

4.14 Other payable

4.14.1 Age analysis

Accounting age	*2015-12-31*		*2014-12-31*	
	amount	%	amount	%
Within 1 year	213,973.98	65.28%	198,606.60	63.12%
1~2 years	180.00	0.05%	14,482.10	4.60%
2~3 year	12,082.10	3.69%	1,538.00	0.49%
Over 3 years	101,538.00	30.98%	100,000.00	31.78%
Total	327,774.08	100.00%	314,626.70	100.00%

4.14.2 Foreign currency balance

Currency	*Original currency amount*	*E/X rate*	*RMB balance*
USD	1,476.40	6.4936	9,587.15

4.15 Accrued expenses

Item	*2015-12-31*	*2014-12-31*
Water, Electricity, Steam fee	49,536.94	67,649.20
Insurance & Freight fee	10,439.91	94,426.16
Product warranty fee	2,624,176.43	2,558,311.88
Payroll	572,485.00	481,837.77
Commission	3,035,666.88	3,289,552.00
Staff commission	2,108,252.46	1,784,491.00
Material and commissioning expense	2,338,242.58	943,223.85
Entertainment expenses	167,422.29	76,468.00
Travelling expenses	312,063.48	188,579.90
others	1,237,287.69	492,481.71
Total	12,455,573.66	9,977,021.47

4.16 Paid-in capital

Investor	Registered capital (USD)	Beg. Bal.		End. Bal.	
		USD	RMB Equivalent	USD	RMB Equivalent
Thermax Ltd.	13,470,000	13,470,000	95,039,017.37	13,470,000	95,039,017.37
Total			95,039,017.37		95,039,017.37

4.17 Undistributed profit

Item	*Amount*
Undistributed profits at beginning of the year	-62,919,094.97
Add : Net profit of this period	-3,074,701.57
Less: Appropriation of statutory surplus reserve	-
Less : Appropriation of discretionary surplus reserve	-
Less : Dividend payable on common stock	-
Less : Common stock dividend converted into capital	-
Undistributed profits at the end of the year	-65,993,796.54

4.18 Revenue from main operations and cost of main operations

Items	*Revenue from main operations*		*Cost of main operations*	
	FY2015	FY2014	FY2015	FY2014
Domestic sales	31,932,136.78	41,578,632.46	28,897,120.43	36,179,310.66
Overseas sales	36,816,185.23	33,504,861.09	25,366,900.67	23,493,906.28
Total	68,748,322.01	75,083,493.55	54,264,021.10	59,673,216.94

4.19 Profit from other operations

Items	*Revenue from other operations*		*Cost of other operations*	
	FY2015	FY2014	FY2015	FY2014
Spares Materials sales	2,108,263.69	1,109,193.26	1,437,062.22	777,000.19
Scrap Material sales	88,850.80	227,560.60	15,129.54	
Service revenue	516,736.02	957,049.80	101,658.12	30,446.22
Total	2,713,850.51	2,293,803.66	1,553,849.88	807,446.41

4.20 Operation expenses

Items	*FY 2015*	*FY 2014*
Salaries and welfare	2,994,588.31	3,134,741.80
Warranty and FOC	1,009,517.45	-391,706.84
Business trip	809,875.62	725,907.15
Entertainment expenses	458,345.65	522,793.32
Consulting fee	1,968,484.63	2,901,190.57
House Rent	294,228.53	287,619.98
Freight and Loading fee	355,610.31	753,846.84
Exported fee	578,752.68	362,359.65
Office expenses	8,321.99	8,043.78
Exhibition expenses	107,486.35	12,660.00
Advertisement	12,268.13	26,500.00
Communication fee	67,164.48	68,662.18
Depreciation	12,553.94	15,323.53
Others	480,003.59	302,941.55
Total	9,157,201.66	8,730,883.51

4.21 General and administrative expenses

Items	*FY 2015*	*FY 2014*
Salaries and welfare	3,787,612.68	4,326,005.58
Consulting expenses	305423.14	190,435.08
Taxes	1564742.59	1,027,397.52
Deprecation	379330.54	400,402.78
Car expenses	185328.39	260,907.86
Maintain expense	38687.21	90,443.50
House rent	273000	231,500.00
Travel expenses	707764.24	794,944.42
Amortization	169622.52	176,927.94
Provision for obsolete stocks	-214062.38	-828,464.28
Insurance	144350.67	148,770.86
Communication expenses	95022.07	144,138.83
Office expenses	64302.89	104,503.61
Entertainment expenses	153276.11	83,307.33
Bad debt reserves	1450796	781,974.00
Others	307,081.34	336,724.12
Total	9,412,278.01	8,269,919.15

4.22 Financial expenses

Items	*FY 2015*	*FY 2014*
Interest expense	936,317.91	1,048,044.11
Less:interest income	5,792.85	3,890.66
Exchange Loss	-811,606.40	-236,118.21
Others	132,830.34	176,166.04
Total	251,749.00	984,201.28

4.23 Revenue from subsidies

Items	*FY 2015*	*FY 2014*
Tax refund	98,279.18	108,422.61
Government subsidies		
Total	98,279.18	108,422.61

4.24 Non-operating revenue

Items	*FY 2015*	*FY 2014*
Debt exemption	-	23,664.99
Others	10,032.60	50.00
Total	10,032.60	23,714.99

4.25 Non-operating expenses

Items	*FY 2015*	*FY 2014*
Disposal of fixed value property loss	5,756.63	16,576.04
Overdue payment		
Others	329.59	2,611.37
Total	6,086.22	19,187.41

5. Related parties and related party transactions

5.1 Related parties

(1) Related party under control

Name of related parties	Relationship with the company
Thermax Ltd.	Parent company
RDA Holdings Private Limited	Holding Company
ARA Trusteeship Company Private Limited, India (Holding shares in Trust)	Ultimate holding company

(2) Related Party where control does not exist, but transactions occurred

Name of related parties	Relationship with the company
Thermax Inc	Under a common control of the same ultimate holding company
Thermax Europe Limited	Under a common control of the same ultimate holding company

5.2 Related party transactions

1. Purchases of goods and services

Name of related parties	*FY 2015*	*FY 2014*
Thermax Ltd.	1,132,715.06	1,995,748.63
Thermax Inc	6,044.06	87,560.17
Thermax Europe Limited	125,040.24	70,574.01
Total	1,263,799.36	2,153,882.81

2. Sales of goods and services

Name of related parties	*FY 2015*	*FY 2014*
THERMAX INC	4,492,726.07	1,404,325.17
Thermax Europe Limited	13,040,310.21	9,292,424.90
Thermax Ltd.	10,179,962.95	8,103,811.43
Total	27,712,999.23	18,800,561.50

3. Amounts due from/to related parties

Name of related parties	*Account*	*Amount*
Thermax Ltd.	Accounts receivable	3,369,347.48
Thermax Ltd.	Accounts payable	373,574.92
Thermax Ltd.	Deposit received	1,322,096.96
Thermax Inc	Accounts receivable	129,872.00
Thermax Europe Limited	Accounts payable	50,149.71
Thermax Europe Limited	Accounts receivable	387,397.92

7. CONTINGENT EVENTS

End of the date of the financial report issued, the company had no contingent events to be disclosed.

8. NON-ADJUSTMENT EVENTS IN FUTURE EVENTS OF BALANCE SHEET

End of the date of the financial report issued, the company has no non-adjustment events in future events of the balance sheet to be disclosed.

9. BANK GUARANTEE:

As at the balance sheet date, the Citi bank had opened the guarantee letter of RMB 2,327,500.00, USD28,300.00and AUD 21,275.00 for the company .

10. Others

The Mark to Market figure of the company's forward FX contracts is USD-36,265.55 as of 2015-12-31.

THERMAX (ZHEJIANG) COOLING & HEATING ENGINEERING CO., LTD

THERMAX NETHERLANDS B.V.

Board of Directors	*Registered Office*	*Auditors*
Hemant Prabhakar Mohgaonkar TMF Netherlands B.V.	Herikerbergweg 238, Luna Arena, 1101 CM Amsterdam Zuidoost, The Netherlands.	Emst & Young Accountants LLP Cross Towers Antonio Vivaldistraat 150 1008 A B Amsterdam The Netherlands

INDEPENDENT AUDITORS' REPORT

To: the general meeting of shareholders of Thermax Netherlands B.V.

Report on the financial statements

We have audited the accompanying financial statements for the year ended 31 March 2016 of Thermax Netherlands B.V., Amsterdam, which comprise the balance sheet as at 31 March 2016, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory Information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditor's judgment, 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity'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 audit opinion.

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Thermax Netherlands B.V. as at 3I March 2016 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the information as required under Section 2:392 sub 1 b - h has been annexed.

Amsterdam, 10 June 2016
Ernst & Young Accountants LLP
signed by S. van den Ham

Balance Sheet as at March 31, 2016
(Before oppropriation of the result)

ASSETS	Note No	03 / 31 / 2016		03 / 31 / 2015	
		Euro	Rs Lacs	Euro	Rs Lacs
FIXED ASSETS:					
Financial fixed assets:					
Investment in subsidiary	1	**20,021,767**	**15,092.26**	20,021,767	13,426.02
		20,021,767	**15,092.26**	20,021,767	13,426.02
CURRENT ASSETS:					
Prepaid expenses		**9,960**	**7.51**	9,917	6.65
Cash at bank	2	**279,517**	**210.70**	307,048	205.90
		289,477	**218.21**	316,965	212.55
TOTAL ASSETS		**20,311,244**	**15,310.46**	20,338,732	13,638.57
SHAREHOLDER'S EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY:	3				
Share capital		**20,500,000**	**15,452.75**	20,500,000	13,746.71
Accumulated results		**(171,968)**	**(129.63)**	(142,902)	(95.83)
Result for the year		**(27,488)**	**(20.72)**	(29,066)	(19.49)
		20,300,544	**15,302.40**	20,328,032	13,631.40
CURRENT LIABILITIES:					
Accrued expenses	4	**10,700**	**8.07**	10,700	7.18
TOTAL LIABILITIES		**20,311,244**	**15,310.46**	20,338,732	13,638.57

Exchange Rate as on 31 March 2016 is 1 Euro = 75.3793

Exchange Rate as on 31 March 2015 is 1 Euro = 67.0571

Statement of Income and Expenses for the year ended March 31, 2016

	Note No	04/01/15-3/31/2016		04/01/14-3/31/2015	
		Euro	Rs Lacs	Euro	Rs Lacs
OPERATIONAL INCOME AND EXPENSES:					
Administrative expenses	5	**(27,488)**	**(20.72)**	(29,066)	(19.49)
Net result		**(27,488)**	**(20.72)**	(29,066)	(19.49)

Statement of Changes in Equity for the year ended March 31, 2015

	Issued share capital		Accumulated results		Result for the year		Total	
	Euro	Rs Lacs	Euro	Rs Lacs	Euro	Rs Lacs	Euro	Rs Lacs
Balance as at March 31, 2014	20,500,000	15,452.75	(116,390)	(87.73)	(26,512)	(19.98)	20,357,098	15,345.03
Allocation of result	-	-	(26,512)	(19.98)	26,512	19.98	-	-
Result for the period	-	-	-	-	(29,066)	(21.91)	(29,066)	(21.91)
Balance as at March 31, 2015	20,500,000	15,452.75	(142,902)	(107.72)	(29,066)	(21.91)	20,328,032	15,323.12
Allocation of result	-	-	(29,066)	(21.91)	29,066	21.91	-	-
Result for the period	-	-	-	-	(27,488)	(20.72)	(27,488)	(20.72)
Balance as at March 31, 2016	20,500,000	15,452.75	(171,968)	(129.63)	(27,488)	(20.72)	20,300,544	15,302.40

The authorised share capital of the Company consists of 30,000,000 shares of EUR 1 each, amounting to EUR 30,000,000. As at 31 March 2016, 20,500,000 (2015: 20,500,000) shares were issued and fully paid up.

Notes to the Financial Statements March 31, 2016

General

Thermax Netherlands B.V. (hereinafter "the Company"), a limited liability company, having its statutory seat in Amsterdam and its business place at Herikerbergweg 238, 1101 CM Amsterdam, the Netherlands, was incorporated under the laws of the Netherlands on 5 November 2010. The Company is wholly owned by Thermax Limited registered in Chinchwad Pune, India.

The principal activity of the Company is to act as a holding company.

The Company has made use of the exemption allowed by Article 396, Paragraph 7, Part 9, Book 2 of the Dutch Civil Code in not presenting a Managing Directors report.

Accounting principles

General

The accompanying accounts have been prepared in accordance with the provisions of EU Directives as implemented in Part 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in The Netherlands as issued by the Dutch Accounting Standards Board.

Foreign currencies

All monetary assets and liabilities expressed in currencies other than EUR have been translated at the rates of exchange prevailing at the balance sheet date, whereas non monetary assets expressed in currencies other than EUR are translated at historical rates. All transactions in foreign currencies have been translated into EUR at the rates of exchange approximating those ruling at the date of the transactions. Resulting exchange differences, if any, have been recognised in the Profit and loss account.

Financial fixed assets

Consolidation has not taken place, since the Company makes use of Article 408, Part 9, Book 2 of the Dutch Civil Code in filing the annual accounts of its parent company Thermax Limited, India with the Chamber of Commerce in the Netherlands.

Participating interests are stated at cost, less any permanent diminution in value.

Cash at bank

Cash and cash equivalents include bank balances and are stated at face value.

Other assets and liabilities

Unless otherwise indicated assets and liabilities are stated at face value.

Determination of income

Income and expenses are recognised in the year to which they are related. Profit is only recognised when realised on balance sheet date. Losses originating before the end of the financial year are taken into account if they become known before preparation of the financial statements.

Taxation

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit for commercial and profit for tax purposes. Deferred tax assets arising from available tax loss carry forwards are only recognized to the extent that recovery is reasonable certain.

(1) Investment in subsidiary

The investment in subsidiary is comprised as follows:

	Held in %	03/31/16	03/31/15
Thermax Denmark ApS	100%	20,021,767	20,021,767

On 8 November 2010 the Company subscribed for 74,920,000 newly issued shares in Thermax Denmark ApS with a nominal value of DKK 1 each. The total consideration involved was EUR 20,000,000.

On 22 June 2011 the Company acquired the remaining 80,000 shares in Thermax Denmark ApS with a nominal value of DKK 1 each. The total consideration involved was EUR 21,767.

As per 31 March 2016 the Company holds 100% of the issued share capital of Thermax Denmark ApS. The total amount involved was EUR 20,021,767.

(2) Cash at bank

The cash at bank is comprised as follows:

	03/31/16	03/31/15
Royal Bank of Scotland, EUR account	279,517	307,048

The Company maintains a EUR bank account with the Royal Bank of Scotland in Amsterdam of which the balance is available on demand.

(3) Shareholders' equity

The movement in the shareholders' equity is comprised as follows:

	Issued share capital	Accumulated results	Result for the year	Total
Balance as at March 31, 2014	20,500,000	(116,390)	(26,512)	20,357,098
Allocation of result	-	(26,512)	26,512	-
Result for the period	-	-	(29,066)	(29,066)
Balance as at March 31, 2015	20,500,000	(142,902)	(29,066)	20,328,032
Allocation of result	-	(29,066)	29,066	-
Result for the period	-	-	(27,488)	(27,488)
Balance as at March 31, 2016	20,500,000	(171,968)	(27,488)	20,300,544

The authorised share capital of the Company consists of 30,000,000 shares of EUR 1 each, amounting to EUR 30,000,000. As at 31 March 2016 20,500,000 (2015: 20,500,000) shares were issued and fully paid up.

(4) Accrued expenses

The accrued expenses are comprised as follows:

	03/31/16	03/31/15
Accrued tax advisory fees	2,500	2,500
Accrued audit fees	8,000	8,000
Accrued bank charges	200	200
	10,700	10,700

(5) Administrative expenses

The administrative expenses are comprised as follows:

	04/01/15 - 03/31/16	04/01/14 - 03/31/15
Administration accounting fees	9,563	10,123
Tax advisory fees	3,025	3,786
Management fees	5,105	5,431
Audit fees	8,833	8,591
Bank charges	962	1,135
	27,488	29,066

Other notes

Employees

The Company does not employ any staff (2015: nil) and hence incurred no salary, related social security charges or pension costs in 2016 and 2015.

Managing directors

The Board of Directors consists of two members (2015: two) and does not have a Board of Supervisory Directors.

Amsterdam, May 23, 2016

Mr. H.P. Mohgaonkar

TMF Netherlands B.V.

Supplementary information March 31, 2016

Statutory provision of appropriation of result

In accordance with article 22 of the Articles of Association the result for the year is at the disposal of the General Meeting of Shareholders. Dutch law stipulates that distributions may only be made to the extent the Company's equity is in excess of the reserves it is required to maintain by law and its Articles of Association. Moreover, no distributions may be made if the Management Board is of the opinion that, by such distribution, the Company will not be able to fulfill its financial obligations in the foreseeable future.

Proposed appropriation of result

The management proposes to carry forward the result for the period under review.

Post balance sheet events

No events have occurred since 31 March 2016 that would make the present financial position substantially different from that shown in the balance sheet as at balance sheet date.

Auditors' opinion

The auditors' report is presented on the next page.

Executive Board	Registered Office	Auditors
Hemant Prabhakar Mohgaonkar Amitabha Mukhopadhyay	Industrivej Nord 13 DK-7400 Herning	Ernst & Young Godkendt Revisionspartnerselskab Havnegade 33 DK 6700 Esbjerg.

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Thermax Denmark ApS 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 consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 March 2016 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 April 2015 – 31 March 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

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 Thermax Denmark ApS

Independent auditors' report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of Thermax Denmark ApS for the financial year 1 April 2015 – 31 March 2016, which comprise income statement, balance sheet and notes, including accounting policies, for the Group as well as for the parent company and consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 March 2016 and of the results of the Group's and the parent company's operations and consolidated cash flows for the financial year 1 April 2015 – 31 March 2016 in accordance with the Danish Financial Statements Act.

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 consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company 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

Thermax Denmark ApS

Industrivej Nord 13

DK-7400 Herning

CVR no.: 33 25 57 48

Established: 29 October 2010

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

Financial highlights for the Group

DKK m	2015/16	2014/15	2013/14	2012/13	2010/12 17 months
Key figures					
Revenue	261	303	479	388	535
Operating profit	2	-60	16	16	19
Profit from financial income and expenses	-5	-5	-5	-6	-7
Profit before tax	-3	-66	11	10	12
Profit/loss for the year	**-3**	**-64**	**7**	**5**	**7**
Non-current assets	147	157	199	193	200
Current assets	84	85	172	159	139
Total assets	**232**	**242**	**372**	**352**	**339**
Equity	**101**	**103**	**167**	**159**	**156**
Provisions	17	19	22	19	23
Non-current liabilities other than provisions	24	44	65	84	95
Current liabilities other than provisions	89	76	118	90	65
Cash flows from operating activities	-7	20	10	11	13
Cash flows from investing activities	-3	-2	-20	-5	-203
Portion relating to investment in property, plant and equipment	-3	-2	-3	-5	-4
Cash flows from financing activities	-20	-20	-10	-2	216
Total cash flows	**-30**	**-2**	**-20**	**4**	**26**
Financial ratios					
Operating margin	0.8	-4.8	3.3	4.0	4.3
Return on invested capital	1.1	-7.9	6.0	6.3	5.1
Equity ratio	43.7	42.6	45.0	45.1	46.1
Return on equity	-2.9	-47.3	4.2	3.4	3.1
Average number of full-time employees	**214**	**259**	**330**	**256**	**241**

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Operating review

Principal activities of the Company

Thermax Denmark ApS is a wholly owned subsidiary of Thermax Netherlands B.V., which in turn is wholly owned by Thermax Ltd., an Indian publicly listed company. The ultimate holding company of Thermax Ltd. is ARA Trusteeship Company Private Limited (holding shares in Trust), Pune, India.

The main activity of the company is owning shares in the fully-owned daughter companies Danstoker A/S and Ejendomsanpartssselskabet Industrivej Nord 13" (estate company). All operational activities take place within these respective daughter companies.

Danstoker A/S is the parent company of Boilerworks A/S.

The Danstoker Group designs, produces and sells boilers and relevant equipment to the energy market, including rebuilding and servicing of boilers. The product range of the Danstoker Group is continuously adapted to the 4 energy categories:

- Solid fuel market, mainly based biofuels
- Combined heat and power market
- Exhaust gas market
- Oil/gas market

The activity of "EjendomsanpartsselskabetIndustrivej Nord 13" is to own and lease estate, which is also the activity in the wholly owned subsidiary Boilerworks Properties ApS.

Development in activities and financial position

This year, the Danstoker Group has achieved overall results that are lower than provided for in the budget. The result achieved is improved compared to last year, but not satisfactory.

Profit for the year before tax of DKK -2,651 thousand and after tax of DKK -2,947 thousand respectively is deemed not satisfactory by the Management.

Danstoker A/S

Danstoker A/S has had a lower level of activity than expected within the biomass segment but has nevertheless been able to maintain its position as the absolute market-leader within medium-sized biofuel boilers in Scandinavia.

Within the market segment of oil and gas-fired boilers, Danstoker has maintained its position in the primary markets, but no orders for the Russian market were received during the last year due to the crises in Ukraine.

The market segments for combined heat and power boilers and for exhaust gas boilers have been more or less on budget in the year under review, and the after-sales services activities have developed positively.

Danstoker has continued working successfully on the implementation of the Lean idea and Lean processes throughout the value chain of the Company, from the initial customer contact until the handing-over of boilers.

Boilerworks A/S

Boilerworks A/S designs, produces and supplies high-pressure boilers and components to power stations, waste-fuelled and biomass-fuelled plants as well as petrochemical plants. Moreover, the Company manufactures a wide variety of heat exchangers and flue-gas coolers.

The maintenance of boiler systems is one of Boilerworks' specialties. This includes everything from simple repairs to extensive maintenance planning, modernisation and optimisations of the system, installation of new components and control systems.

The Company has succeeded in re-establishing its previous position as one of the leading manufacturers of components for high pressures and temperatures for the most advanced pressurized systems.

Boilerworks is highly active within the area of service, and the Company has been able to re-establish its position as one of the leading operators in Scandinavia within this segment.

Ejendomsanpartsselskabet Industrivej Nord 13

The activity of the company remains unchanged compared to 2014/15. The result achieved is deemed satisfactory.

Future outlook

The overall volume of orders of the Thermax Denmark Group at the end of the financial year is significant higher than last year and satisfactory.

The improved order fulfilment in Thermax Denmark Group has resulted in significant improvements, and throughout the coming year, Thermax Denmark Group will continue to focus on Lean optimisations, internal training and improvement of working processes.

It is the aim of the Thermax Denmark Group to create 2 profitable, strong and individually independent sales companies in Danstoker and Boilerworks, both as an attractive workplace with competent employees, based on competitive products sold to professional co-operation partners and customers in selected markets, where such products are delivered in the quality and at the time and price agreed.

It is also the Group's aim to achieve optimal utilisation of the production facilities.

The Management of Thermax Denmark is not of the opinion that the Group is facing special risks in the long term, neither in its markets nor otherwise.

The growing, necessary global political focus on CO2 will in the long term contribute to making our CO2-neutral products within biofuels even more relevant and will contribute to securing the Thermax Denmark Group's continued positive development.

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

Particular risks

The Management of the Group is of the opinion that it is not faced with special long-term risks, neither in terms of its markets, nor otherwise.

Social Responsibility

With regard to §99a of the Financial Statements Act on policies regarding Social Responsibility including human rights and climate impact, it should be noted that the Thermax Denmark Group does not, so far, have such written policies.

However, it is the declared intention of the Group in every respect and at any time to run a decent and responsible business, in compliance with all existing laws and regulations as well as with human rights.

Gender diversity

The Executive Board of Thermax Denmark ApS wants to give equal access to leadership positions for members of both sexes and believes that board members should be chosen for their overall competence.

Taking this in consideration and the Group's size and primary business area, it is however the Group's aim to have a 50 % / 50 % male-female balance in the Group's Executive Board before 31 March 2018. The aim in not fulfilled in the parent company as the Group's Executive Board of two men is unchanged in 2015/16.

It is the Group's policy that management positions are to be filled by the most qualified candidates, while both male and female management talents are trained and upgraded. The proportion of female managers is unchanged in 2015/16.

Knowledge resources

The Thermax Denmark Group performs current development of processes and upgrading of employees.

Environmental conditions

The Thermax Denmark Group is devoted to environmental issues and is constantly striving to reduce the environmental impact resulting from the operations of the Group. The Group companies have no outstanding issues with the environmental authorities in complying with environmental permits and other environmental regulations.

Events after balance sheet date

The Management is of the opinion that from the balance sheet date until today, no events have occurred which could alter the assessment of the annual report substantially.

THERMAX DENMARK ApS

Consolidated financial statements and parent company financial statements for the period 1 April 2015 - 31 March 2016

Income Statement

		2015/16		2014/15		**2015/16**		2014/15	
		Consolidated		Consolidated		**Parent company**		Parent company	
DKK'000	**Notes**	**DKK'000**	**Rs. Lacs**	DKK'000	Rs. Lacs	**DKK'000**	**Rs. Lacs**	DKK'000	Rs. Lacs
Revenue	2	**261,458**	**26,454.87**	303,376	27,233.98	**-**	**-**	-	-
Production costs	3	**(223,845)**	**(22,649.11)**	(273,026)	(24,509.47)	**-**	**-**	-	-
Exceptional Items	5	**-**	**-**	(45,435)	(4,078.69)	**-**	**-**	-	-
Gross profit		**37,613**	**3,805.76**	(15,085)	(1,354.18)	**-**	**-**	-	-
Distribution costs	3	**(15,857)**	**(1,604.44)**	(20,730)	(1,860.93)	**-**	**-**	-	-
Administrative expenses	3,4	**(19,717)**	**(1,995.01)**	(24,313)	(2,182.57)	**(69)**	**(6.98)**	(68)	(6.10)
Other operating income		**16**	**1.62**	25	2.24	**-**	**-**	-	-
Operating profit		**2,055**	**207.93**	(60,103)	(5,395.43)	**(69)**	**(6.98)**	(68)	(6.10)
Profits/losses from investments in subsidiaries	11	**-**	**-**	-	-	**(932)**	**(94.30)**	(61,454)	(5,516.71)
Financial income	6	**1,516**	**153.39**	1,673	150.18	**17**	**1.72**	91	8.17
Financial expenses	7	**(6,222)**	**(629.56)**	(7,103)	(637.63)	**(2,544)**	**(257.41)**	(3,329)	(298.84)
Profit before tax		**(2,651)**	**(268.23)**	(65,533)	(5,882.88)	**(3,528)**	**(356.97)**	(64,760)	(5,813.49)
Tax on profit for the year	8	**(296)**	**(29.95)**	1,583	142.11	**581**	**58.79**	810	72.71
Profit for the year		**(2,947)**	**(298.18)**	(63,950)	(5,740.77)	**(2,947)**	**(298.18)**	(63,950)	(5,740.77)
Proposed profit appropriation									
Reserve for net revaluation under the equity method		**-**	**-**	-	-	**(309)**	**(31.27)**	(517)	(46.41)
Retained earnings		**(2,947)**	**(298.18)**	(63,950)	(5,740.77)	**(2,638)**	**(266.92)**	(63,433)	(5,694.36)
		(2,947)	**(298.18)**	(63,950)	(5,740.77)	**(2,947)**	**(298.18)**	(63,950)	(5,740.77)

Balance sheet

		2015/16		2014/15		**2015/16**		2014/15	
		Consolidated		Consolidated		**Parent company**		Parent company	
	Notes	**DKK'000**	**Rs. Lacs**	DKK'000	Rs. Lacs	**DKK'000**	**Rs. Lacs**	DKK'000	Rs. Lacs
ASSETS									
Non-current assets									
Intangible assets	9								
Goodwill		**103,489**	**10,471.24**	110,567	9,925.57	**-**	**-**	-	-
Licences, software		**140**	**14.17**	485	43.54	**-**	**-**	-	-
Development in progress		**-**	**-**	-	-	**-**	**-**	-	-
Development completed		**76**	**7.69**	146	13.11	**-**	**-**	-	-
		103,705	**10,493.09**	111,198	9,982.22	**-**	**-**	-	-
Property, plant and equipment	10								
Land and buildings		**32,327**	**3,270.91**	33,255	2,985.29	**-**	**-**	-	-
Plant and machinery		**10,204**	**1,032.46**	10,938	981.90	**-**	**-**	-	-
Fixtures and fittings, tools and equipment		**1,176**	**118.99**	1,326	119.03	**-**	**-**	-	-
Property, plant and equipment under construction		**-**	**-**	20.00	1.80	**-**	**-**	-	-
		43,707	**4,422.37**	45,539	4,088.02	**-**	**-**	-	-
Investments	11								
Investments in subsidiaries		**-**	**-**	-		**139,866**	**14,151.94**	146,489	13,150.28
		-	**-**	-	-	**139,866**	**14,151.94**	146,489	13,150.28
Total non-current assets		**147,412**	**14,915.46**	156,737	14,070.24	**139,866**	**14,151.94**	146,489	13,150.28
Current assets									
Inventories									
Raw materials and consumables		**12,675**	**1,282.48**	14,632	1,313.51	**-**	**-**	-	-
Semi-finished goods		**2,676**	**270.76**	3,314	297.50	**-**	**-**	-	-
		15,351	**1,553.25**	17,946	1,611.01	**-**	**-**	-	-
Receivables									
Trade receivables		**27,486**	**2,781.09**	23,508	2,110.31	**-**	**-**	-	-
Work in progress (customer-specific orders)	12	**37,276**	**3,771.66**	31,748	2,850.01	**-**	**-**	-	-
Amounts owed by group companies		**80**	**8.09**	15	1.35	**2,863**	**289.68**	7,892	708.46
Corporation tax receivable		**89.00**	**9.01**	-	-	**89**	**9.01**	-	-
Other receivables		**932**	**94.30**	2,134	191.57	**-**	**-**	-	-
Prepayments	13	**1,461**	**147.83**	1,183	106.20	**-**	**-**	-	-
		67,324	**6,811.98**	58,588	5,259.43	**2,952**	**298.69**	7,892	708.46
Cash at bank and in hand		**1,567**	**158.55**	8,838	793.38	**227**	**22.97**	1,132	101.62
Total current assets		**84,242**	**8,523.78**	85,372	7,663.82	**3,179**	**321.66**	9,024	810.08
Total assets		**231,654**	**23,439.24**	242,109	21,734.06	**143,045**	**14,473.60**	155,513	13,960.36

Balance sheet

DKK'000	Notes	2015/16 Consolidated DKK'000	2015/16 Consolidated Rs. Lacs	2014/15 Consolidated DKK'000	2014/15 Consolidated Rs. Lacs	2015/16 Parent company DKK'000	2015/16 Parent company Rs. Lacs	2014/15 Parent company DKK'000	2014/15 Parent company Rs. Lacs
EQUITY AND LIABILITIES									
Equity	14	**-**		-					
Share capital		**75,000**	**7,588.66**	75,000	6,732.73	**75,000**	**7,588.66**	75,000	6,732.73
Net revaluation according to the equity method		**-**	**-**	-	-	**-**	**-**	-	-
Retained earnings		**26,123**	**2,643.18**	28,135	2,525.67	**26,123**	**2,643.18**	28,135	2,525.67
Total equity		**101,123**	**10,231.84**	103,135	9,258.40	**101,123**	**10,231.84**	103,135	9,258.40
Provisions									
Deferred tax	15	**9,773**	**988.85**	9,707	871.39	**-**	**-**	-	-
Other provisions	16	**7,669**	**775.97**	9,533	855.77	**-**	**-**	-	-
Total provisions		**17,442**	**1,764.82**	19,240	1,727.17	**-**	**-**	-	-
Liabilities other than provisions									
Non-current liabilities other than provisions	17								
Mortgage credit institutions		**14,440**	**1,461.07**	15,356	1,378.50	**-**	**-**	-	-
Banks Loans		**9,919**	**1,003.63**	28,668	2,573.52	**9,174**	**928.24**	27,313	2,451.88
		24,359	**2,464.70**	44,024	3,952.02	**9,174**	**928.24**	27,313	2,451.88
Current liabilities other than provisions									
Current portion of non-current liabilities other than provisions	17	**19,875**	**2,010.99**	20,501	1,840.37	**18,349**	**1,856.59**	18,674	1,676.36
Bank loans		**22,970**	**2,324.15**	-	-	**-**	**-**	-	-
Prepayments received from customers	12	**1,078**	**109.07**	4,983	447.32	**-**	**-**	-	-
Trade payables		**15,863**	**1,605.05**	13,895	1,247.35	**-**	**-**	-	-
Amounts owed to group companies		**2,023**	**204.69**	4,803	431.16	**13,483**	**1,364.24**	1,876	168.41
Corporation tax		**-**	**-**	2,659	238.70	**-**	**-**	2,659	238.70
Other payables		**26,921**	**2,723.92**	28,869	2,591.56	**916**	**92.68**	1,856	166.61
		88,730	**8,977.89**	75,710	6,796.47	**32,748**	**3,313.51**	25,065	2,250.08
Total liabilities other than provisions		**113,089**	**11,442.58**	119,734	10,748.49	**41,922**	**4,241.76**	52,378	4,701.96
TOTAL EQUITY AND LIABILITIES		**231,654**	**23,439.24**	242,109	21,734.06	**143,045**	**14,473.60**	155,513	13,960.36

Exchange rate: as at 31 March 2016 is 1 DKK = Rs 10.1182
Exchange rate: as at 31 March 2015 is 1 DKK = Rs 8.9770

Statement of Changes in Equity for the period 1st April 2015 to 31st March 2016
Consolidated

Particulars	Share capital		Retained earnings		Total	
	DKK'000	Rs Lacs	DKK'000	Rs Lacs	DKK'000	Rs Lacs
Equity at 1 April 2015	75,000	7,588.66	28,135	2,846.76	103,135	10,435.42
Transferred, cf. profit appropriation	-	-	(2,947)	(298.18)	(2,947)	(298.18)
Change in value adjustments of hedging instruments	-	-	818	82.77	818	82.77
Change in value adjustments of hedging instruments in investments	-	-	406	41.08	406	41.08
Tax on changes in equity	-	-	(289)	(29.24)	(289)	(29.24)
Equity at 31 March 2016	75,000	7,588.66	26,123	2,643.18	101,123	10,231.84

Parent company

Particulars	Share capital		Reserve for net revaluation under the equity method		Retained earnings		Total	
	DKK'000	Rs Lacs	DKK'000	Rs Lacs	DKK'000	Rs Lacs	DKK'000	Rs Lacs
Equity at 1 April 2015	75,000	7,588.66	-	-	28,135	2,846.76	103,135	10,435.42
Transferred, cf. profit appropriation	-	-	-309	(31.27)	-2,638	(266.92)	-2,947	(298.18)
Change in value adjustments of hedging instruments	-	-	-	-	818	82.77	818	82.77
Change in value adjustments of hedging instruments in investments	-	-	406	41.08	-	-	406	41.08
Tax on changes in equity	-	-	-97	(9.81)	-192	(19.43)	-289	(29.24)
Equity at 31 March 2016	75,000	7,588.66	-	-	26,123	2,643.18	101,123	10,231.84

The share capital comprises 75.000.000 shares of DKK 1 each. All shares rank equally.

Cash flow statement, consolidated

	2015/16		2014/15	
	DKK'000	Rs. Lacs	DKK'000	Rs. Lacs
Net profit for the year before tax	**(2,651)**	**(268.23)**	(65,533)	(5,882.88)
Depreciation for the year and gains from sales of fixed assets	**12,387**	**1,253.34**	12,877	1,155.96
Exceptional items, non-cash	-	-	38,933	3,495.01
Changes in equity	**1,224**	**123.85**	(14)	(1.26)
Corporation tax paid, net	**(3,267)**	**(330.56)**	1,380	123.88
Cash flows from operations (operating activities) before changes in working capital	**7,693**	**778.39**	(12,357)	(1,109.28)
Change in inventories	**2,595**	**262.57**	921	82.68
Change in receivables	**(8,647)**	**(874.92)**	36,371	3,265.02
Change in provisions	**(1,864)**	**(188.60)**	(6)	(0.54)
Change in current liabilities	**(6,665)**	**(674.38)**	(4,707)	(422.55)
Cash flows from operating activities	**(6,888)**	**(696.94)**	20,222	1,815.32
Acquisition of activity	-	-	-	-
Acquisition of intangible asset	-	-	(211)	(18.94)
Acquisition of property, plant and equipment, net	**(3,062)**	**(309.82)**	(2,016)	(180.98)
Cash flows from investing activities	**(3,062)**	**(309.82)**	(2,227)	(199.92)
Repayment of long-term debt	**(20,291)**	**(2,053.09)**	(20,456)	(1,836.33)
Proceeds from loans	-	-	-	-
Cash flows from financing activities	**(20,291)**	**(2,053.09)**	(20,456)	(1,836.33)
Net cash flows for the year	**(30,241)**	**(3,059.85)**	(2,461)	(220.92)
Cash and cash equivalents at 1 April 2015	**8,838**	**894.25**	11,299	1,014.31
Cash and cash equivalents at 31 March 2016	**(21,403)**	**(2,165.60)**	8,838	793.38
Cash, cash equivalents and bank loans				
Cash at bank and in hand	**1,567**	**158.55**	8,838	793.38
Bank loans, current liabilities	**(22,970)**	**(2,324.15)**	-	-
	(21,403)	**(2,165.60)**	8,838	793.38

Exchange rate: as at 31 March 2016 is 1 DKK = Rs 10.1182
Exchange rate: as at 31 March 2015 is 1 DKK = Rs 8.9770

Notes to the Financial Statements

1 Accounting policies

The annual report of Thermax Denmark ApS for 2015/16 has been prepared in accordance with the provisions applying to reporting class C enterprises (large) under the Danish Financial Statements Act.

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the parent company is prepared, as the parent company's cash flows are part of the consolidated cash flow statement.

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 benefits is probable and when the value of 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 losses and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Consolidated financial statements

The consolidated financial statements comprise the parent company, Thermax Denmark ApS, and subsidiaries in which Thermax Denmark ApS directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls. Enterprises in which the Group holds between 20 and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates, please see the group chart.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets or liabilities at the acquisition date.

Business combinations

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated income statement until the date of disposal. The comparative figures are not adjusted for acquisitions or disposals.

Gains or losses on disposal of subsidiaries and associates are stated as the difference between the sales amount and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated disposal costs.

Acquisitions of enterprises are accounted for using the acquisition method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted and announced plans to restructure the acquired enterprise in connection with the acquisition. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset, not exceeding 20 years. Any excess of the fair values of the identifiable assets and liabilities acquired over the cost of the acquisition (negative goodwill), representing an anticipated adverse development in the acquired enterprises, is recognised in the balance sheet as deferred income and recognised in the income statement as the adverse development is realised. Negative goodwill not related to any anticipated adverse development is recognised in the balance sheet at an amount corresponding to the fair value of non-monetary assets. The amount is subsequently recognised in the income statement over the average useful lives of the non-monetary assets.

Goodwill and negative goodwill from acquired enterprises can be adjusted until the end of the year following the year of acquisition.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements, is recognised in the income statement as financial income or financial expenses.

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 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 forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects profit or loss.

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.

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place by the end of the year and that the income can be reliably measured and is expected to be received. Revenue is recognised ex. VAT and taxes charged on behalf of third parties.

Contract work in progress concerning customised production is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (the percentage of completion method).

Production costs

Production costs comprise costs, including depreciation and amortisation and salaries, incurred in generating the revenue for the year. Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases, and depreciation of production plant.

Production costs also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

Also, provision for losses on construction contracts is recognised.

Distribution costs

Costs incurred in distributing goods sold during the year and in conducting sales campaigns, etc., during the year are recognised as distribution costs. Also, costs relating to sales staff, advertising, exhibitions and depreciation are recognised as distribution costs.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for company management and administration, including expenses for administrative staff, management, office premises and office expenses, and depreciation.

Profits/losses from investments in subsidiaries

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profits/losses.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Exceptional items

Exceptional items include income and costs of a special nature which have a material impact and are non-recurring. Such income and costs include the cost of any gains and losses arising from disposals of assets, including investments. Exceptional items are listed in the income statement in connection with the related items in ordinary loss.

Tax on profit/loss for the year

The parent company is covered by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries form part of the joint taxation from the date on which they are included in the consolidation of the consolidated financial statements and up to the date on which they exit the consolidation.

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

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity. The tax expense recognised in the income statement relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

Balance sheet

Intangible assets

Goodwill is amortised over its estimated useful life determined on the basis of Management's experience of the specific business areas. Goodwill is amortised on a straight-line basis over a maximum amortisation period of 20 years, due to strategically acquired enterprises with strong market positions and long-term earnings profiles.

Software rights are measured at cost less accumulated amortisation and impairment losses. Software rights are amortised on a straight-line basis over the expected useful life which has been fixed at three years.

Development costs comprise costs, salaries and amortisation directly or indirectly attributable to the Company's development activities. Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 3 years.

Gains and losses on the disposal of development costs, software rights, and licences are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. 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 cost of self-constructed assets comprises direct and indirect costs of materials, components, subsuppliers, and wages and salaries.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Buildings	30-50 years
Roofing tiles and paving stones	20 years
Plant and machinery	3-10 years
Fixtures and fittings, tools and equipment	3-5 years

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and 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. Gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Leases

Leases for non-current assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are initially recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other non-current assets.

The capitalised residual lease obligation is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed in contingent liabilities, etc.

Investments in subsidiaries

Investments in subsidiaries are measured under the equity method.

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

Investments in subsidiaries with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries is recognised in the reserve for net revaluation in equity under the equity method to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of the annual report of Thermax Denmark A/S are not recognised in the reserve for net revaluation.

On acquisition of subsidiaries, the acquisition method is applied, please see Consolidated financial statements above.

Impairment of non-current assets

The carrying amount of intangible assets and 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 amortisation or depreciation.

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.

Inventories

Inventories are measured at average cost. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Semi-finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

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

Work in progress (customised orders)

Work in progress (customised orders) are measured at the selling price of the work performed, less any payments received on account of the customer and expected losses. The orders are characterized by the fact that the orders contain high levels of individualization of the design. Moreover, it is a requirement that before the start of the order a binding order has been entered, which will result in penalty or replacement by later removal.

The selling price is measured by reference to the stage of completion at the balance sheet date and total expected income from the contract. The stage of completion is determined on the basis of an estimate of the work, usually calculated as the ratio between the costs incurred and total estimated costs of the order or hours worked and the total estimated hours worked for that order.

When it is probable that total costs for an order will exceed total revenue, the expected loss on the order is immediately recognised as an expense and a provision.

When the selling price of an individual order cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Net assets are determined as the sum of orders where the selling price of the work performed exceeds progress billings. Net liabilities are determined as the sum of orders where progress billings exceed the selling price.

Prepayments from customers are recognized as liabilities.

Selling costs and costs incurred in securing contracts are recognised in the income statement when incurred.

Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

Equity

Reserve for net revaluation according to the equity method

Net revaluation of investments in subsidiaries and associates 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

In its capacity as the administrative company, Thermax Denmark ApS is liable for its subsidiaries' corporation taxes towards the tax authorities concurrently with the payment of joint taxation contribution by the subsidiaries.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Corporation tax receivable" or "Corporation tax payable".

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/ loss for the year or taxable income. Where different tax rules can be applied to determine the tax base, deferred tax is measured based on Management's planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry-forwards, are recognised 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 and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Provisions

Provisions comprise anticipated costs related to warranties, losses on work in progress, guarantees etc. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realisable value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Warranties comprise obligations to make good any defects within the warranty period of one to five years. Provisions for warranties are measured at net realisable value and recognised based on past experience. Provisions expected to be maintained for more than one year from the balance sheet date are discounted at the average bond interest rate.

If it is likely that total costs will exceed total income from contract work in progress, a provision is made for the total loss anticipated on the contract. The provision is recognised in production costs.

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, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual obligation on finance leases.

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less that are readily convertible to cash and are subject to an insignificant risk of changes in value.

Segment information

Information is provided on business segments and geographical markets. Segment information is based on the Company's accounting policies, risks and internal financial management.

Financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	$\frac{\text{Operating Profit x 100}}{\text{Revenue}}$
Return on invested capital	$\frac{\text{Operating Profit x 100}}{\text{Average Invested Capital}}$
Invested capital	Operating intangible assets and property, plant and equipment plus net working capital
Equity ratio	$\frac{\text{Equity at the year end x 100}}{\text{Total equity and liabilities at the year end}}$
Return on equity	$\frac{\text{Profit from ordinary activities after tax x 100}}{\text{Average Equity}}$

2 Segment information

	Consolidated		Parent company	
DKK'000	2015/16	2014/15	2015/16	2014/15
Revenue - boilers etc.				
Europe	236,435	295,529	-	-
Outside Europe	25,023	7,847	-	-
	261,458	303,376	-	-

3 Employee relations

Wages and salaries	93,386	111,546	0	0
Pensions	6,583	8,238	0	0
Other social security costs	955	2,221	0	0
	100,924	122,005	-	-
Remuneration and pensions of the Executive Board	-	-	-	-
Average number of full-time employees	214	259	-	-

4 Fees paid to auditors appointed at the annual general meeting

Fee regarding statutory audit	347	341	21	21
Assurance engagements	40	36	8	6
Tax assistance	20	17	-	-
Other assistance	149	339	34	32
	556	733	63	59

5 Exceptional items

Regarding the bankruptcy in Omnical GmbH

Write-down on investment in connection to bankruptcy	-	33,456	-	-
Guarantee obligations and other costs related to the bankruptcy	-	11,979	-	-
	-	45,435	-	-

6 Financial income

Interest income from group enterprises	-	-	17	91
Other financial income	1,516	1,673	-	-
	1,516	1,673	17	91

7 Financial expenses

Interest expense for group enterprises	-	-	55	-
Other interest expense	6,222	7,103	2,489	3,329
	6,222	7,103	2,544	3,329

8 Tax on the profit for the year

Current tax for the year	231	4,356	-581	-810
Deferred tax adjustment for the year	573	-5,623	-	-
Adjustments of deferred tax due to changes in the tax rate	-508	-316	-	-
	296	-1,583	-581	-810

Specified as follows:

Tax on profit for the year	585	-1,556	-389	-626
Tax on changes in equity	-289	-27	-192	-184
	296	-1,583	-581	-810

9 Intangible assets

Consolidated

DKK'000	Development completed	Licences, software	Goodwill	Total
Cost at 1 April 2015	210	1,325	141,569	143,104
Additions	-	-	-	-
Disposals	-	-	-	-
Cost at 31 March 2016	210	1,325	141,569	143,104
Impairment losses and amortisation at 1 April 2015	64	840	31,002	31,906
Amortisation	70	345	7,078	7,493
Disposals	-	-	-	-
Impairment losses and amortisation at 31 March 2016	134	1,185	38,080	39,399
Carrying amount at 31 March 2016	76	140	103,489	103,705

10 Property, plant and equipment

Consolidated

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Plants and equipment under construction	Total
Cost at 1 April 2015	37,318	17,984	2,144	20	57,466
Additions	86	2,532	454	-	3,072
Disposals	-	-72	-245	-	-317
Transferred	-	20	-	-20	-
Cost at 31 March 2016	37,404	20,464	2,353	-	60,221
Impairment losses and depreciation at 1 April 2015	4,063	7,046	818	-	11,927
Depreciation and impairment losses	1,014	3,286	601	-	4,901
Disposals	-	-72	-242	-	-314
Impairment losses and depreciation at 31 March 2016	5,077	10,260	1,177	-	16,514
Carrying amount at 31 March 2016	32,327	10,204	1,176	-	43,707
Property, plant and equipment include finance leases with a carrying amount totalling	-	-	731	-	731

DKK'000	Investments in subsidiary
11 Investments	
Parent Company	
Cost at 1 April 2015	218,925
Additions	-
Cost at 31 March 2016	218,925
Value adjustments at 1 April 2015	-72,436
Profits for the year	6,041
Received dividend	-6,000
Change in value adjustments of hedging instruments in investments	309
Depreciation, goodwill	-6,973
Value adjustments at 31 March 2016	-79,059
Carrying amount at 31 March 2016	139,866

Name	Registered office	Voting rights and ownership	Share capital	Equity	Profit/loss before tax	Profit/loss after tax
Danstoker A/S	Herning, Denmark	100 %	10,001	28,290	3,161	3,067
Ejendomsanparts-selskabet Industrivej Nord 13	Herning, Denmark	100 %	200	9,892	3,463	2,974

DKK'000	2015/16	2014/15
12 Work in progress (customer-specific orders)		
Consolidated		
Work in progress	119,537	116,972
Payment on account	-83,339	-90,207
	36,198	26,765
Recognised as follows:		
Work in progress (customer specific orders) (assets)	37,276	31,748
Prepayments received from customers (liabilities)	-1,078	-4,983
	36,198	26,765
13 Prepayments		
Consolidated		
Prepaid insurance premiums	652	211
Other prepaid costs	809	972
	1,461	1,183

14 Equity

DKK'000	Consolidated Share capital	Retained earnings	Total
Equity at 1 April 2015	75,000	28,135	103,135
Transferred, cf. profit appropriation	-	-2,947	-2,947
Change in value adjustments of hedging instruments	-	818	818
Change in value adjustments of hedging instruments in investments	-	406	406
Tax on changes in equity	-	-289	-289
Equity at 31 March 2016	75,000	26,123	101,123

DKK'000	Parent company			
	Share capital	Reserve for net revalua-tion under the equity method	Retained earnings	Total
Equity at 1 April 2015	75,000	-	28,135	103,135
Transferred, cf. profit appropriation	-	-309	-2,638	-2,947
Change in value adjustments of hedging instruments	-	-	818	818
Change in value adjustments of hedging instruments in investment	-	406	-	406
Tax on changes in equity	-	-97	-192	-289
Equity at 31 March 2016	75,000	0	26,123	101,123

The share capital comprises 75,000,000 shares of DKK 1 each. All shares rank equally.

DKK'000	2015/16	2014/15
15 Deferred tax		
Consolidated		
Deferred tax at 1 April 2015	9,707	19,970
Foreign currency translation adjustments	0	-10
Deferred tax adjustment	66	-5,939
Disposals	0	-4,314
Deferred tax at 31 March 2016	9,773	9,707

Deferred tax relates to non-current assets and work in progress (advance on account).

16 Other provisions

Consolidated

Other provisions at 1 April 2015	9,533	2,382
Provision for the year, adjustment	-1,864	7,151
Other provisions at 31 March 2016	7,669	9,533

Other provisions consists of custom warranties, DKK 1,213 thousand (2014/15: DKK 1,333 thousand) and provision for guarantee obligations and other costs DKK 6,456 thousand (2014/15: DKK 8,200 thousand).

17 Non-current liabilities other than provisions

Consolidated

DKK'000	Total liabilities at 31/3 2016	Repayment next year	Long-term portion	Outstand-ing debt after 5 years
Mortgage credit institutions	15,356	916	14,440	10,774
Bank loans	28,878	18,959	9,919	0
Total liabilities	44,234	19,875	24,359	10,774

Parent company

DKK'000	Total liabilities at 31/3 2016	Repayment next year	Long-term portion	Outstand-ing debt after 5 years
Bank loans	27,523	18,349	9,174	0
Total liabilities	27,523	18,349	9,174	0

18 Contractual obligations and contingencies, etc.

Consolidated

Lease obligations (operating leases) falling due within three years total DKK 932 thousand, hereof DKK 595 thousand fall due 2016/17.

The Group has entered into interest rate swap contracts concerning a loan amounting to totally DKK 10,669 thousand and another loan amounting to EUR 3,750 thousand, with a net position as of 31 March 2016 of totally DKK -3,233 thousand (2014/15: DKK -4,426 thousand).

The Group has received a claim for avoidance from the liquidator in the former subsidiary OmnicalKessel- und Apparatebau GmbH in bankruptcy. Any final amount is unknown at the moment as the company does not find any basis for the claim and has rejected it.

The Group has entered into forward exchange contracts concerning currency in SEK14,814 thousand and GBP 260 thousand with a net position as of 31 March 2016 to DKK -31 thousand (2014/15: DKK -58 thousand).

Parent company

The parent company has entered into an interest rate swap contract concerning a loan amounting to EUR 3,750 thousand, with a net position as of 31 March 2016 of DKK -667 thousand.

The company is jointly taxed with the 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.

19 Mortgages and collateral

Consolidated

Land and buildings with a carrying amount of DKK 28,111 thousand out of a total carrying amount of land and buildings of DKK 32,327 thousand at 31 March 2016 have been provided as collateral for mortgages of DKK 15,356 thousand.

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

Mortgage registered to the mortgagor at a nominal amount of DKK 7,500 thousand secured on plant and machinery, fixture and fittings, other plant and equipment and goodwill with a carrying amount of DKK 7,131 thousand has been provided as collateral for loan raised with credit institution.

Performance bonds and advance payment guarantees issued by guarantee insurers amount to DKK 13,767 thousand (2014/15: DKK 32,599 thousand).

Guarantees have been undertaken whereby primary liability is assumed towards credit institutions for all performance bonds and outstanding balances between other enterprises and credit institutions. At 31 March 2016, the guarantee commitment amounted to DKK 4,085 thousand (2014/15: DKK 6,458 thousand).

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

Parent company

The parent company has provided collateral in shares in affiliated company for affiliated company's outstanding balances with banks, DKK 12,736 thousand.

20 Related party disclosures

Thermax Denmark ApS' related parties comprise the following:

Parties exercising control

Thermax Netherlands B.V. holds the majority of the share capital in the Company.

Information about consolidated financial statements

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

Ownership

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

Thermax Netherlands B.V.

Herikerbergweg 238

1101 CM Amsterdam

The Netherlands.

Board of Directors

Hemant Prabhakar Mohgaonkar (Chairman)
Amitabha Mukhopadhyay (Vice Chairman)
Jan Enemark
Holger Michael Diechmann Jepsen
Jorn Henriksen

Registered Office

Industivej Nord 13
DK-7400 Herning
Denmark

Auditors

Ernst & Young
Godkendt Revisionspartnerselskab
Havnegade 33
DK 6700 Esbjerg

Executive Board

Jan Enemark
Knud Dürr

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Danstoker A/S 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 the Company's 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 development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Herning, 19 May 2016

Executive Board:

Jan Enemark	Knud Dürr

Board of Directors:

Hemant Prabhakar Mohgaonkar Chairman	Amitabha Mukhopadhyay Vice Chairman	Jan Enemark
Holger Michael Diechmann Jepsen (Elected by the employees)	Jorn Henriksen (Elected by the employees)	

Independent Auditor's Report

To the shareholders of Danstoker A/S

Independent auditors' report on the financial statements

We have audited the financial statements of Danstoker A/S for the financial year 1 April 2015 – 31 March 2016, which comprise income statement, balance sheet and notes, including accounting policies. 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.

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 other 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

DANSTOKER A/S

Management's review

Company details

Name	Danstoker A/S
Address	Industrivej Nord 13
Zip code, city	DK-7400 Herning
CVR no.	16 14 72 49
Established	13 April 1992
Registered office	Herning
Financial year	1 April – 31 March
Telephone	+ 45 99 28 71 00
Board of Directors	Hemant Prabhakar Mohgaonkar (Chairman)
	Amitabha Mukhopadhyay (Vice Chairman)
	Jan Enemark
	Holger Michael D. Jepsen (Elected by the employees)
	Jørn Henriksen (Elected by the employees)
Executive Board	Jan Enemark
	Knud Dürr
Auditors	Ernst & Young Godkendt Revisionspartnerselskab
	Havnegade 33
	DK-6700 Esbjerg

Financial highlights

DKK m	2015/16 (12 months)	2014/15 (12 months)	2013/14 (12 months)	2012/13 (12 months)	2010/12 (18 months)
Key figures					
Gross profit	33	29	54	52	74
Ordinary operating profit/loss	4	-1	24	23	30
Profit/loss before tax	3	-58	20	20	28
Profit/loss for the year	**3**	**-58**	**14**	**14**	**20**
Total assets	90	89	159	138	140
Investment in property, plant and equipment	2	2	2	4	2
Equity	**28**	**25**	**94**	**80**	**94**
Financial ratios					
Return on invested capital	8.3	-1.6	39.1	41.9	65.7
Equity ratio	31.6	28.4	59.3	58.0	67.5
Return on equity	11.5	-96.2	16.1	15.9	16.2
Average number of full-time employees	**136**	**144**	**152**	**145**	**132**

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Operating review

Danstoker A/S, which has its registered address in the municipality of Herning, 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.

Danstoker A/S is the parent company of Boilerworks A/S.

The Danstoker Group designs, manufactures and sells boilers and associated equipment to the energy market, including also rebuilding and servicing of boilers. The Danstoker Group product range is continuously adapted to the 4 energy categories:

- Solid fuel market, mainly based on biofuels
- Combined heat and power market
- Exhaust gas market
- Oil/gas market

Development during the year under review

Danstoker A/S has had a lower level of activity than expected within the biomass segment but has nevertheless been able to maintain its position as the absolute market-leader within medium-sized biofuel boilers in Scandinavia.

Within the market segment of oil and gas-fired boilers, Danstoker has maintained its position in the primary markets, but no orders for the Russian market were received during the last year, due to the crises in Ukraine.

The market segments for combined heat and power boilers and for exhaust gas boilers have been more or less on budget in the year under review, and the after-sales services activities have developed positively.

The main activities of Boilerworks A/S are service jobs on water-tube boilers and the manufacture of economizers and high pressure boiler components of the water-tube design. Many service jobs have been put on hold, but optimism is clearly returning to the markets again.

This year, the Danstoker Group has achieved overall results that are lower than provided for in the budget. The result achieved is improved compared to last year, but not satisfactory.

Profit for the year before tax of DKK 3, 161 thousand and after tax of DKK 3,067 thousand.

Environmental conditions

Danstoker A/S is devoted to environmental issues and is constantly striving to reduce the environmental impact resulting from the operations of the Company. The Company has no outstanding issues with the environmental authorities in complying with environmental permits and other environmental regulations.

Events after the balance sheet date

The Management is of the opinion that from the balance sheet date until today, no events have occurred which could substantially alter the assessment of the annual report.

Future outlook

The overall volume of orders of the Danstoker Group at the end of the financial year is significant higher than last year and satisfactory.

The improved order fulfilment in Danstoker has resulted in significant improvements, and throughout the coming year, Danstoker will continue to focus on Lean optimisations, internal training and improvement of working processes.

It is the aim of the Danstoker Group to create 2 profitable, strong and individually independent sales companies in Danstoker A/S and Boilerworks A/S, both as an attractive workplace with competent employees, based on competitive products sold to professional co-operation partners and customers in selected markets where such products are supplied in the quality and at the time and price agreed.

It is also the Group's aim to achieve optimal utilisation of the production facilities.

The Management of Danstoker A/S is not of the opinion that the Company is facing special long-term risks, neither in its markets nor otherwise.

The growing, necessary, political focus on CO2 on a global scale will in the long term contribute to making our CO2-neutral products within biofuels even more relevant and will contribute to securing the Danstoker Group's continued positive development.

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

Financial statements 1 April 2015 – 31 March 2016

Income statement

	Note	2015/16		2014/15	
		DKK'000	**Rs. Lacs**	DKK'000	Rs. Lacs
Gross profit	2	**32,828**	**3,321.61**	29,275	2,628.01
Sales and distribution costs		**(14,715)**	**(1,488.89)**	(16,081)	(1,443.59)
Administrative expenses		**(14,470)**	**(1,464.11)**	(14,637)	(1,313.96)
Operating (Loss)/ Profit		**3,643**	**368.61**	(1,443)	(129.54)
Loss on investments in subsidiaries	9	**191**	**19.33**	(10,408)	(934.32)
Exceptional items	3	**-**	**-**	(45,435)	(4,078.69)
Financial income	4	**1,103**	**111.60**	1,628	146.15
Financial expenses	5	**(1,776)**	**(179.70)**	(2,503)	(224.69)
Profit/(Loss) before tax		**3,161**	**319.84**	(58,161)	(5,221.10)
Tax on profit/(Loss) for the year	6	**(94)**	**(9.51)**	650	58.35
Profit/(Loss) for the year		**3,067**	**310.33**	(57,511)	(5,162.75)
Proposed profit appropriation					
Interim dividends		**-**	**-**	11,500	1,032.35
Proposed dividends		**-**	**-**	-	-
Revaluation reserve in subsidiary		**-**	**-**	(20,462)	(1,836.87)
Net revaluation according to the equity method		**-**	**-**	(4,963)	(445.53)
Retained earnings		**3,067**	**310.33**	(43,586)	(3,912.70)
		3,067	**310.33**	(57,511)	(5,162.75)

Exchange rate: as at 31 March 2016 is 1 DKK = Rs 10.1182
Exchange rate: as at 31 March 2015 is 1 DKK = Rs 8.9770

Balance sheet

	Note	2015/16		2014/15	
		DKK'000	**Rs. Lacs**	DKK'000	Rs. Lacs
ASSETS					
Non-current assets					
Intangible assets	7				
Licences, software		**10**	**1.01**	37	3.32
		10	**1.01**	37	3.32
Property, plant and equipment	8				
Plant and machinery		**6,018**	**608.91**	5,835	523.81
Fixtures and fittings, tools and equipment		**1,113**	**112.62**	1,166	104.67
Property, plant and equipment under construction		**-**	**-**	20	1.80
		7,131	**721.53**	7,021	630.27
Investments	9				
Investments in subsidiaries		**2,531**	**256.09**	2,311	207.46
		2,531	**256.09**	2,311	207.46
Total non-current assets		**9,672**	**978.63**	9,369	841.05
Current assets					
Inventories					
Raw materials and consumables		**10,677**	**1,080.32**	12,167	1,092.23
Semi-finished goods		**2,676**	**270.76**	3,314	297.50
		13,353	**1,351.08**	15,481	1,389.73
Receivables					
Trade receivables		**19,738**	**1,997.13**	19,588	1,758.41
Work in progress (customer-specific orders)	10	**30,461**	**3,082.11**	30,045	2,697.13
Amounts owed by group companies		**12,661**	**1,281.07**	8,334	748.14
Other receivables		**920**	**93.09**	2,117	190.04
Prepayments	11	**2,120**	**214.51**	2,084	187.08
		65,900	**6,667.90**	62,168	5,580.81
Cash at bank and in hand		**623**	**63.04**	1,861	167.06
Total current assets		**79,876**	**8,082.02**	79,510	7,137.59
TOTAL ASSETS		**89,548**	**9,060.66**	88,879	7,978.64

	Note	2015/16		2014/15	
		DKK'000	**Rs. Lacs**	DKK'000	Rs. Lacs
EQUITY AND LIABILITIES					
Equity	12				
Share capital		**10,001**	**1,011.92**	10,001	897.79
Revaluation reserve in subsidiary		**-**	**-**	-	-
Net revaluation according to the equity method		**-**	**-**	-	-
Retained earnings		**18,289**	**1,850.52**	15,201	1,364.59
Total equity		**28,290**	**2,862.44**	25,202	2,262.38
Provisions					
Deferred tax	13	**5,349**	**541.22**	5,898	529.46
Other provisions	14	**7,192**	**727.70**	9,040	811.52
Total provisions		**12,541**	**1,268.92**	14,938	1,340.98
Liabilities other than provisions					
Non-current liabilities	15				
Bank loans		**745**	**75.38**	1,355	121.64
		745	**75.38**	1,355	121.64
Current liabilities					
Current portion of non-current liabilities other than provisions	15	**610**	**61.72**	686	61.58
Bank loans		**13,359.00**	**1,351.69**	-	-
Prepayments received from customers	10	**248**	**25.09**	2,127	190.94
Trade payables		**13,180**	**1,333.58**	11,989	1,076.25
Amounts owed to group companies		**3,467**	**350.80**	14,706	1,320.15
Other payables		**17,108**	**1,731.02**	17,876	1,604.72
		47,972	**4,853.91**	47,384	4,253.65
Total liabilities other than provisions		**48,717**	**4,929.29**	48,739	4,375.29
TOTAL EQUITY AND LIABILITIES		**89,548**	**9,060.66**	88,879	7,978.64

1 Accounting policies

16 Employee relations

17 Charges, collateral and contingencies, etc.

18 Related party disclosures

Statement of Changes in Equity for the period 1 April 2015 to 31 March 2016

The share capital consists of 1 share at a nominal amount of DKK'000 10,001.

Particulars	**Share capital**		**Net revaluation according to the equity method**		**Retained Earnings**		**Total**	
	DKK'000	**Rs. Lacs**	**DKK'000**	**Rs. Lacs**	**DKK'000**	**Rs. Lacs**	**DKK'000**	**Rs. Lacs**
Equity at 1 April 2015	10,001	1,011.92	-	-	15,201	1,538.07	25,202	2,549.99
Retained profit for the year	-	-	-	-	3,067	310.33	3,067	310.33
Change in value adjustments of hedging instruments after tax	-	-	-	-	(8)	(0.81)	(8)	(0.81)
Change in value adjustments of hedging instruments in investment after tax	-	-	-	-	29	2.93	29	2.93
Equity at 31 March 2016	10,001	1,011.92	-	-	18,289	1,850.52	28,290	2,862.44

Notes to the Financial Statements

1 Accounting policies

The annual report of Danstoker A/S for the period 1 April 2015 – 31 March 2016 has been prepared in accordance with the provisions applying to reporting class C medium-sized enterprises under the Danish Financial Statements Act.

Consolidated financial statements and cash flow statements have not been prepared as the same are not required as per section 86(4) and 112(1) of the Danish Financial Statements Act. The annual report of Danstoker A/S and related subsidiaries 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.

General comments on 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 such assets can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and the value of such liabilities 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.

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. Moreover, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts that were previously recognised in the income statement.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated into Danish kroner at the exchange rates at the transaction date. Exchange rate differences arising between the exchange rates at the transaction date and the exchange rate at the date of payment are recognised as a financial income or financial expenses in the income statement.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the exchange rates at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised as financial income or financial expenses in the income statement.

Foreign subsidiaries are considered separate entities. The income statements are translated at the average exchange rates for the month in question, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on the translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on the translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries that are considered part of the total investment in the subsidiary are recognised directly in equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as currency hedges of foreign subsidiaries are also recognised directly in equity.

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 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 forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects profit or loss.

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.

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place by the end of the year and that the income can be reliably measured and is expected to be received. Revenue is recognised ex. VAT and taxes charged on behalf of third parties.

Work in progress concerning customised production is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (the percentage of completion method).

Sales and distribution costs

Sales and distribution costs comprise costs incurred for the distribution of goods sold during the year and for sales campaigns, etc., carried out during the year. Also, costs relating to sales staff, advertising, exhibition and depreciation are recognised as sales and distribution costs.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Company, including expenses for administrative staff, office premises and office expenses as well as depreciation.

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 and after deduction of amortisation of goodwill.

Financial income and expenses

Financial income and expenses comprise interest income and expense, capital gains and capital loss on securities, payables and transactions denominated in foreign currencies and amortisation of financial assets and liabilities.

Exceptional items

Exceptional items include income and costs of a special nature which have a material impact and are non-recurring. Such income and costs include the cost of any gains and losses arising from disposals of assets, including investments. Exceptional items are listed in the income statement in connection with the related items in ordinary loss.

Tax on profit/loss for the year

The Company is covered by the Danish rules on compulsory joint taxation of the Thermax Denmark ApS. 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 therefore settles all payments of corporation tax with the tax authorities.

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

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

Balance sheet

Intangible assets – Licences, software

Licences, software are measured at cost less accumulated amortisation and impairment losses. Amortisation takes place on a straight-line basis over the expected useful life which has been fixed at three years.

Gains or losses in connection with the disposal of software are stated as the difference between the selling price less selling costs and the carrying amount at the time of the sale. Gains or losses are recognised in the income statement under other operating income or other operating expenses, respectively.

Property, plant and equipment

Plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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

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

Plant and machinery	3-10 years
Fixtures and fittings, tools and equipment	3-5 years

Assets with a cost of less than DKK 13 thousand per unit are recognised as costs in the income statement in the year of acquisition.

Depreciation is recognised in the income statement as production costs, sales and distribution costs and administrative expenses, respectively.

Gains and 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. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Leases

Leases for non-current assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are initially recognised in the balance sheet at cost, corresponding to the lower of fair value and the net present value of future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other non-current assets.

The capitalised residual lease obligation is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are treated as operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed in contingent liabilities, etc.

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 Danstoker A/S are not recognised in the net revaluation reserve.

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

Impairment of assets

The carrying amount of intangible assets and 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.

Inventories

Inventories are measured at average cost. Where the net realisable value is lower than cost, inventories are written down to the net realisable value.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.Semi-finished goods are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs necessary to make the sale and is determined in consideration of marketability, obsolescence and development in expected selling price.

Receivables

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

Work in process (customised orders)

Work in progress (customised orders) are measured at the selling price of the work performed, less any payments received on account of the customer and expected losses. The orders are characterized by the fact that the orders contain high levels of individualization of the design. Moreover, it is a requirement that before the execution of the order is initiated, a binding order has been entered, which will result in penalty or replacement by later removal.

The selling price is measured by reference to the stage of completion at the balance sheet date and total expected income from the contract. The stage of completion is determined on the basis of an estimate of the work, usually calculated as the ratio between the costs incurred and total estimated costs of the order or hours worked and the total estimated hours worked for that order.

When it is probable that total costs for an order will exceed total revenue, the expected loss on the order is immediately recognised as an expense and a provision.

When the selling price of an individual order cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Net assets are determined as the sum of orders where the selling price of the work performed exceeds progress billings. Net liabilities are determined as the sum of orders where progress billings exceed the selling price.

Prepayments from customers are recognised as liabilities.

Selling costs and costs incurred in securing contracts are recognised in the income statement when incurred.

Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

Equity

Reserve for net revaluation according to the equity method

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

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

The reserve cannot be recognised at a negative amount.

Dividends

Proposed dividends are recognised as a liability at the date of adoption by 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 enterprises' liability for their own corporation tax payments to the tax authorities is settled concurrently with payment of the joint taxation contribution to the administrative company.

Joint taxation contributions payable and receivable are recognised in the balance sheet under balances with group enterprises.

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

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

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

Other provisions

Provisions comprise anticipated costs related to warranties, losses on work in progress, guarantees etc. Provisions are recognised when - as the result of past events - the Company has a legal or constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

Warranties comprise obligations to compensate any defects within the warranty period of 1-5 years. Provisions are measured and recognised on the basis of past experience with warranty work.

If it is likely that total costs will exceed total income from contract work in progress, a provision is made for the total loss anticipated on the contract. The provision is recognised in production costs.

Liabilities other than provisions

Financial liabilities other than provisions are recognised at the proceeds received less the transaction costs paid at the date of borrowing. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when applying the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalized residual obligation on finance leases.

The remaining liabilities are measured at net realisable value.

Financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Return on invested capital	$\frac{\text{Operating Profit x 100}}{\text{Average Invested Capital}}$
Invested capital	Operating intangible assets and property, plant and equipment plus net working capital
Equity ratio	$\frac{\text{Equity at the year end x 100}}{\text{Total equity and liabilities at the year end}}$
Return on equity	$\frac{\text{Profit from ordinary activities after tax x 100}}{\text{Average Equity}}$

2 Gross profit

In compliance with section 32 of the Danish Financial Statements Act, the Company has decided not to specify its revenue.

	DKK'000	**2015/16**	**2014/15**
3	**Exceptional items**		
	Regarding the bankruptcy in Omnical GmbH (former subsidiary)		
	Write-down on investment in connection with liquidation	0	33,456
	Guarantee obligations and other costs related to the liquidation	0	11,979
		0	45,435
4	**Financial income**		
	Interest income from group enterprises	124	174
	Other interest income, including foreign exchange gains, etc.	979	1,454
		1,103	1,628
5	**Financial expenses**		
	Interest expenses to group enterprises	100	229
	Other interest expenses, including foreign exchange losses, etc.	1,676	2,274
		1,776	2,503
6	**Tax on profit for the year**		
	Current tax for the year	643	4,552
	Deferred tax adjustment for the year	-184	-4,951
	Adjustments of deferred tax due to changes in the tax rate	-365	-251
		94	-650

7 Intangible assets

DKK'000	Licences, software
Cost at 1 April 2015	641
Additions	0
Disposals	0
Cost at 31 March 2016	641
Impairment losses and amortisation at 1 April 2015	604
Amortisation	27
Amortisation assets disposed	0
Impairment losses and amortisation at 31 March 2016	631
Carrying amount at 31 March 2016	10

8 Property, plant and equipment

DKK'000	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 1 April 2015	24,030	3,807	20	27,857
Transferred	20	0	-20	0
Additions	1,891	435	0	2,326
Disposals	-72	-245	0	-317
Cost at 31 March 2016	25,869	3,997	0	29,866
Impairment losses and depreciation at 1 April 2015	18,195	2,641	0	20,836
Depreciation	1,728	485	0	2214
Depreciation, assets sold	-72	-242	0	-314
Impairment losses and depreciation at 31 March 2016	19,851	2,884	0	22,736
Carrying amount 31 March 2016	6,018	1,113	0	7,131
Property, plant and equipment include finance leases with a carrying amount totalling	0	731	0	731

9 Investments

DKK'000	Investments in subsidiaries
Cost at 1 April 2015	3,000
Additions	0
Disposals	0
Cost at 31 March 2016	3,000
Value adjustments at 1 April 2015	-689
Foreign currency translation adjustments	0
Net profit for the year	191
Equity adjustment in investments	29
Disposals	0
Value adjustments at 31 March 2016	-469
Carrying amount at 31 March 2016	2,531

Name	Regis-tered office	Voting rights and owner-ship	Share capital	Equity	Profit/ loss before tax	Profit/ loss after tax
Group enterprises			DKK'000	DKK'000	DKK'000	DKK'000
Boilerworks A/S	Tønder	100%	500	2331	66	191
				2331	66	191

10 Work in progress (customer-specific orders)

DKK'000	2015/16	2014/15
Work in progress	80,105	84,209
Payments on account	-49,892	-56,291
Carrying amount at 31 March 2016	30,213	27,918
Recognised as follows:		
Work in progress (customer specific orders) (assets)	30,461	30,045
Prepayments received from customers (liabilities)	-248	-2,127
	30,213	27,918

11 Prepayments

Prepayments comprise prepaid insurance premium, prepaid rent and other prepaid costs.

12 Equity

The share capital consists of 1 share at a nominal amount of DKK'000 10,001.

DKK'000	Share capital	Net reva-luation according to the equity method	Retained earnings	Total
Equity at 1 April 2015	10,001	0	15,201	25,202
Retained profit for the year	0	0	3,067	3,067
Change in value adjustments of hedging instruments after tax	0	0	-8	-8
Change in value adjustments of hedging instruments in investment after tax	0	0	29	29
Equity at 31 March 2016	10,001	0	18,289	28,290

13 Deferred tax

DKK'000	2015/16	2014/15
Deferred tax at 1 April 2015	5,898	11,100
Deferred tax adjustment	-549	-5,202
Deferred tax at 31 March 2016	5,349	5,898

Deferred tax primarily relates to work in progress (advance on account).

14 Other provisions

Other provisions consists of customs warranties, DKK 736 thousand (2014/15: DKK 840 thousand) and provision for guarantee obligations and other costs DKK 6,456 thousand (2014/15: DKK 8,200 thousand).

15 Non-current liabilities other than provisions

DKK'000	Total liabilities at 1/4 2015	Total liabilities at 31/3 2016	Repay-ment next year	Long-term portion	Out-standing debt after 5 years
Bank loans	2,041	1,355	610	745	0

16 Employee relations

DKK'000	2015/16	2014/15
Wages and salaries	58,764	64,000
Pensions	4,300	4,588
Other social security costs	779	898
	63,843	69,486
Remuneration of the Executive Board	2,692	2,658
Remuneration of the Board of Directors	60	60
Average number of full-time employees	136	144

17 Charges, security provided and contingencies, etc.

Lease obligations (operating leases) falling due within 3 years total DKK 582 thousand, hereof DKK 397 thousand fall due 2016/17.

The Company has entered into lease contract that is non-terminable until 30 September 2019. Tenancy commitments in lease buildings amount to DKK 14,672 thousand, of this DKK 4,192 thousand concerns 2016/17.

Mortgage registered to the mortgagor at a nominal amount of DKK 7,500 thousand secured on plant and machinery, fixture and fittings, other plant and equipment and goodwill with a carrying amount of DKK 7,131 thousand has been provided as collateral for loan raised with credit institution.

The Company has undertaken guarantees whereby it has assumed primary liability for the affiliated companies' outstanding balances with mortgage credit institutions and banks, DKK 27,099 thousand (2014/15: DKK 19,498 thousand).

Performance bonds and advance payment guarantees issued by guarantee insurers amount to DKK 13,767 thousand (2014/15: DKK 32,599 thousand). Guarantees have been undertaken whereby primary liability is assumed towards credit institutions for all performance bonds and advance payment guarantees and outstanding balances between other enterprises, group enterprises and credit institutions. At 31 March 2016, the guarantee commitment etc. amounted to DKK 4,085 thousand (2014/15: DKK 6,458 thousand).

The company has entered project-related forward exchange contracts concerning currency in SEK 214 thousand and GBP 260 thousand with a net position as of 31 March 2016 to DKK -10 thousand.

The company has received a claim for avoidance from the liquidator in the former subsidiary OmnicalKessel- und Apparatebau GmbH in bankruptcy. Any final amount is unknown at the moment as the company does not find any basis for the claim and has rejected it.

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.

18 Related party disclosures

Danstoker A/S' related parties comprise the following:

Parties exercising control

Thermax Denmark ApS holds the majority of the share capital in the Company.

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

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
7400 Herning

Ejendomsanpartsselskabet Industrivej Nord 13

Executive Board

Hemant Mohgaonkar

Amitabha Mukhopadhyay

Registered Office

Industrivej Nord 13

DK-7400 Herning

Denmark

Auditors

Ernst & Young
Godkendt Revisionspartnerselskab
Havnegade 33

DK - 6700 Esbjerg

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.

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	Birgitte Nygaard Jørgensen
State Authorised	State Authorised
Public Accountant	Public Accountant

Ejendomsanpartsselskabet Industrivej Nord 13

Management's review

Company details
Ejendomsanpartsselskabet Industrivej Nord 13
Industrivej Nord 13
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

Opreating review

Principal activity

The Company's principal activity is to own and lease out property Industrivej Nord 13, DK-7400 Herning, 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.

Income statement for the period 1 April 2015 – 31 March 2016

	Note	2015/16		2014/15	
		DKK'000	**Rs Lacs**	DKK'000	Rs Lacs
Gross profit		**4,136**	**418.49**	4,107	368.68
Impairment losses and depreciation	5	**(889)**	**(89.95)**	(886)	(79.54)
Operating profit		**3,247**	**328.54**	3,221	289.15
Profit on investments in subsidiary	6	**1,364**	**138.01**	1,446	129.81
Financial income	2	**83**	**8.40**	138	12.39
Financial expenses	3	**(1,231)**	**(124.56)**	(1,273)	(114.28)
Profit before tax		**3,463**	**350.39**	3,532	317.07
Tax on profit for the year	4	**(489)**	**(49.48)**	(502)	(45.06)
Profit for the year		**2,974**	**300.92**	3,030	272.00
Proposed profit appropriation					
Proposed dividends		-	-	6,000	538.62
Reserve for net revaluation under the equity method		**1,610**	**162.90**	(554)	(49.73)
Retained earnings		**1,364**	**138.01**	(2,416)	(216.88)
		2,974	**300.92**	3,030	272.00

Balance sheet for the period 1 April 2015 – 31 March 2016

	Note	2015/16		2014/15	
		DKK'000	**Rs Lacs**	DKK'000	Rs Lacs
ASSETS					
Non-current assets					
Property, plant and equipment	5				
Land and buildings		**28,111**	**2,844.33**	28,962	2,599.91
Investments	6				
Investments in subsidiary		**3,144**	**318.12**	3,780	339.33
		3,144	**318.12**	3,780	339.33
Total non-current assets		**31,255**	**3,162.45**	32,742	2,939.24
Current assets					
Receivables					
Amounts owed by group enterprises		**1,744**	**176.46**	3,906	350.64
Cash at bank and in hand		**21**	**2.12**	23	2.06
Total current assets		**1,765**	**178.59**	3,929	352.71
Total assets		**33,020**	**3,341.03**	36,671	3,291.95
EQUITY AND LIABILITIES					
Equity	7				
Share capital		**200**	**20.24**	200	17.95
Reserve for revaluation of land and buildings		**3,182**	**321.96**	3,182	285.65
Reserve for net revaluation under the equity method		**2,144**	**216.93**	780	70.02
Retained earnings		**4,366**	**441.76**	2,469	221.64
Dividens proposed for the year		-	-	6,000	538.62
Total equity		**9,892**	**1,000.89**	12,631	1,133.88
Provisions					
Deferred tax		**2,330**	**235.75**	2,266	203.42
Total provisions		**2,330**	**235.75**	2,266	203.42
Liabilities					
Non-current liabilities other than provisions	8				
Mortgage credit institutions		**14,440**	**1,461.07**	15,356	1,378.50
		14,440	**1,461.07**	15,356	1,378.50

Balance sheet for the period 1 April 2015 – 31 March 2016

	Note	2015/16		2014/15	
		DKK'000	**Rs Lacs**	DKK'000	Rs Lacs
Current liabilities other than provisions					
Current portion of non-current liabilities other than provisions	8	**916**	**92.68**	1,142	102.52
Amounts owed to group enterprises		**1,531**	**154.91**	1,018	91.39
Other payables		**2,863**	**289.68**	3,216	288.70
Deferred income		**1,048**	**106.04**	1,042	93.54
		6,358	**643.32**	6,418	576.14
Total liabilities		**20,798**	**2,104.39**	21,774	1,954.65
Total equity and liabilities		**33,020**	**3,341.03**	36,671	3,291.95

Notes:

Accounting policies - 1

Charges, collateral and contingencies, etc. - 9

Related party - ownership - 10

Statement of Changes in Equity for the period 1st April 2015 to 31st March 2016

	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	
	DKK'000	**Rs Lacs**	**DKK'000**	**Rs Lacs**	**DKK'000**	**Rs Lacs**	**DKK'000**	**Rs Lacs**	**DKK'000**	**Rs Lacs**	**DKK'000**	**Rs Lacs**
Equity at 1 April 2015	200	20.24	3,182	321.96	780	78.92	2,469	249.82	6,000	607.09	12,631	1,278.03
Retained profit for the year	-	-	-	-	1,364	138.01	1,610	162.90	-	-	2,974	300.92
Revaluation after tax on interest rate swap	-	-	-	-	-	-	287	29.04	-	-	287	29.04
Dividends	-	-	-	-	-	-	-	-	(6,000)	(607.09)	(6,000)	(607.09)
	200	20.24	3,182	321.96	2,144	216.93	4,366	441.76	-	-	9,892	1,000.89

Exchange rate : as at 31st Mar 16 is 1 DKK = Rs 10.1182

Exchange rate : as at 31st Mar 15 is 1 DKK = Rs 8.9770

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

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.

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.

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.

DKK'000

2 Financial expenses

	2015/16	**2014/15**
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

	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**

6 Investments

	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

	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

	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

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

Rifox-Hans Richter GmbH Spezialarmaturen, Bremen

Board of Directors

Mundt Holger - Managing Director
Jan Enemark
Abhay Shah
Rabindranath Pillai

Registered Office

Bertha-von-suttner-str. 9
28207 Breman, Germany
HRB3148

Auditors

JFS Treuhand &
Rivision Jendroschek Feindler Scholz
Stefen Rauber
Parkallee 5
28209 Bremen, Germany
PR 121

Auditors´ Report

To Rifox-Hans Richter GmbH Spezialarmaturen

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system of Rifox-Hans Richter GmbH Spezialarmaturen, Bremen, for the financial year from April 01, 2015 to March 31, 2016. The maintenance of the books and records and the preparation of the annual financial statements in accordance with German commercial law are the responsibility of the Company's Managing Directors. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system based on our audit.

We conducted our audit of the annual financial statements in accordance with Section 317 HGB [Handelsgesetzbuch - German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [in Deutschland] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records and the annual financial statements are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Company's Managing Directors, as well as evaluating the overall presentation of the annual financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting.

Bremen, April 18, 2016

Rauber
(Wirtschaftsprufer)
(German Public Auditor)

Balance Sheet as at 31 March 2016

ASSETS

	2015-16		2014-15	
	EUR	**Rs Lacs**	EUR	Rs Lacs
A. Fixed assets				
I. Intangible assets				
Concessions, industrial property and similar rights and assets and licences in such rights and assets	**1.50**	**0.00**	1.50	0.00
II. Tangible assets				
1. Land, similar rights and buildings, including buildings on third-party land	**10,231.50**	**7.71**	11,592.50	7.77
2. Other equipment, factory and office equipment	**96,870.55**	**73.02**	110,374.94	74.01
3. Advance payments	**-**	**-**	2,840.00	1.90
	107,102.05	**80.73**	124,807.44	83.69
B. Current assets				
I. Stocks				
1. Finished goods and unfinished goods	**955,847.00**	**720.51**	1,137,622.14	762.86
2. Advance payments received for projects	**(11,454.00)**	**(8.63)**	(15,171.30)	(10.17)
	944,393.00	**711.88**	1,122,450.84	752.68
II. Debtors and other assets				
1. Trade debtors	**379,745.45**	**286.25**	493,388.66	330.85
2. Other assets	**943.53**	**0.71**	697.75	0.47
	380,688.98	**286.96**	494,086.41	331.32
III. Cash-in-hand, postal giro balances and bank balances	**3,766.30**	**2.84**	5,451.80	3.66
C. Prepaid expenses	**4,083.00**	**3.08**	20,814.60	13.96
	1,440,034.83	**1,085.49**	1,767,612.59	1,185.31

Exchange rate : as at 31st Mar 16 is 1 Euro = Rs 75.3793

Exchange rate : as at 31st Mar 15 is 1 Euro = Rs 67.0571

EQUITY AND LIABILITIES

	2015-16		2014-15	
	EUR	**Rs Lacs**	EUR	Rs Lacs
A. Equity				
I. Subscribed capital	**716,469.00**	**540.07**	716,469.00	480.44
II. Unappropriated profits brought forward	**(120,265.61)**	**(90.66)**	(179,633.05)	(120.46)
III. Net income / loss for the year	**127,499.12**	**96.11**	59,367.44	39.81
	723,702.51	**545.52**	596,203.39	399.80
B. Provisions				
Other provisions	**154,316.08**	**116.32**	146,096.61	97.97
C. Creditors				
1. Liabilities to banks	**379,569.69**	**286.12**	611,344.90	409.95
2. Trade creditors	**100,025.17**	**75.40**	273,433.54	183.36
3. Other creditors	**82,421.38**	**62.13**	140,534.15	94.24
	562,016.24	**423.64**	1,025,312.59	687.55
-of with taxes : EUR 25,475.67 (2015 : TEuro 50)				
	1,440,034.83	**1,085.49**	1,767,612.59	1,185.31

Rifox-Hans Richter GmbH Spezialarmaturen, Bremen

Income Statement
for the financial year from April 1,2015 to March 31,2016

		2015-16		2014-15	
		EUR	**Rs Lacs**	EUR	Rs Lacs
1.	Turnover	**3,732,087.94**	**2,813.22**	3,691,058.97	2,475.12
2.	Inventory changes- finished and unfinished goods	**(181,775.14)**	**(137.02)**	(110,280.04)	(73.95)
3.	Other operating income	**227,643.37**	**171.60**	94,386.50	63.29
		3,777,956.17	**2,847.80**	3,675,165.43	2,464.46
4.	Cost of materials				
	a) Cost of raw materials, consumables and goods for resale	**760,943.35**	**573.59**	974,281.84	653.33
	b) Cost for purchased services	**176,434.05**	**132.99**	213,461.55	143.14
		937,377.40	**706.59**	1,187,743.39	796.47
5.	Staff costs				
	a) Wages and salaries	**1,768,711.18**	**1,333.24**	1,545,177.80	1,036.15
	b) Social security, pension and other benefits	**331,672.11**	**250.01**	291,226.05	195.29
		2,100,383.29	**1,583.25**	1,836,403.85	1,231.44
6.	Amortisation and depreciation of fixed intangible and tangible assets	**33,068.85**	**24.93**	34,877.51	23.39
7.	Other operating charges	**565,280.43**	**426.10**	527,999.93	354.06
8.	Other interest receivable and similar income	**-**	**-**	-	-
9.	Interest payable and other similar charges	**14,347.08**	**10.81**	28,773.32	19.29
10.	**Profit on ordinary activities**	**127,499.12**	**96.11**	59,367.43	39.81
11.	Taxes on profit	**-**	**-**	(0.01)	(0.00)
12.	**Profit for the year**	**127,499.12**	**96.11**	59,367.44	39.81

Notes to the Financial Statements for the financial year 01.04.2015-31.03.2016

1. General statements

The annual accounts of the Rifox-Hans Richter GmbH Spezialarmaturen were produced on the basis of the accounting regulations in the German Commercial Code (HGB).

Additionally to these regulations the German Limited Liability Companies Act had to be applied.

The total expenditure format was applied to the profit and loss account.

According to the size classes in § 267 (1) HGB the company is a small limited company.

The easing of restrictions for small limited companies according to § 274a and § 288 HGB were partly applied.

2. Statements on accounting and valuation including tax-based measures

The accounting and valuation methods of the previous year were maintained without change.

Fixed assets were listed at purchase prices reduced by planned depreciation.

The planned depreciation was made using the straight-line method. The expected life-spans of the assets were estimated using the depreciation-index in line with the tax rules.

Mobile assets with a value of less than 410,00 € were written off immediately.

Stocks were listed at acquisition or production costs. If necessary the lower value on the key balance sheet date was used.

Trade receivables and other assets were valued considering all recognizable risks.

Cash balance and bank accounts were listed at cash value.

To cover the general credit risk and the costs of discounts, general provisions for doubtful debts were formed.

Other provisions account for all recognizable risks and uncertain liabilities. All recognizable risks were accounted for.

3. Affiliation notes

The development of the fixed assets is attached as appendix.

Specifications concerning trade receivables and other assets with a remaining term of more than one year can be gathered from the balance sheet.

Other provisions account for all recognizable risks and uncertain liabilities. The value was estimated according to reasonable commercial evaluation.

Specifications concerning liabilities with a remaining term of up to one year can be gathered from the balance sheet.

4. Miscellaneous statements

During the business year 01.04.2015-31.03.2016 the appointed managing directors were:

Mr. Holger Mundt, Bremen/Germany

Mr. Jan Enemark Jensen, Herning/Denmark

Mr. Abhay Ramanlal Shah, Mukund Nagar, Pune/India

Mr. Rabindranath Pillai, Kerala/India

5. Proposal for the use of the annual result

The annual accounts were produced before appropriation of net income.

The management proposes the general assembly to submit for new account the annual profit for the year 2015/2016 of 127.499, 12 € and the accumulated deficit carried forward of -120.265,61 €.

Bremen, 12. April 2016

Fixed Asset Movement Schedule to March 31, 2016

	Book value April 1, 2015	Additions	Reclassifications	Disposals	Depreciation	Write-up	Book value March 31, 2016
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets							
Concessions, industrial property and similar rights and assets and licences in such rights and assets	1,50	0,00	0,00	0,00	0,00	0,00	1,50
	1,50	0,00	0,00	0,00	0,00	0,00	1,50
II. Tangible assets							
1. Land, similar rights and buildings including buildings on third party land	11.592,50	0,00	0,00	0,00	1,361,00	0,00	10.231,50
2. Other equipment, factory and office equipment	110.374,94	18.203,96	0,00	0,50	31.707,85	0,00	96.870,55
3. Advance payments	2.840,00	0,00	2.840,00	0,00	0,00	0,00	0,00
	124.807,44	18.203,96	2.840,00	0,50	33.068,85	0,00	107.102,05
	124.808,94	18.203,96	2.840,00	0,50	33.068,85	0,00	107.103,55

THERMAX SDN. BHD.

Board of Directors	Registered Office	Auditors
Unnikrishnan Damodaran Kaustubh Pathak	Suite 50-4-3A 4th Floor, Wisma UOA Damansara 50, Jalan Dungun 50490 Kuala Lumpur	Morison Anuarul Azizan Chew Chartered Accountnts 18, Jalan Pinggir 1/64, Jalan Kolam Air, Off Jalan Sultan Azlan Shah (Jalan Ipoh), 51200 Kuala Lumpur, Malaysia

Bankers

City Bank, Malaysia

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Company for the financial year ended 31 March 2016.

Principal Activities

The principal activities of the Company are that of turnkey solutions provider and to undertake the sales, services and procurement of industrial equipment.

There have been no significant changes in the nature of these principal activities during the financial year.

Results

Net profit for the financial year **RM55,615**

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend to be paid for the financial year under review.

Reserves and Provisions

There were no material transfers to or from reserves or provisions made during the financial year under review.

Issue of Shares and Debentures

There were no issuance of shares or debentures during the financial year under review.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year under review.

Directors

The Directors who served since the date of last report and the date of this report are as follows:

Unnikrishnan Damodaran

Kaustubh Arun Pathak

Directors' Interests

None of the Directors in office at the end of the financial year had any interest in the ordinary shares of the Company during the financial year under review.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit by reason of a contract made by the Company with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangement the object of which is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Other Statutory Information

(a) Before the income statement and balance sheet of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the allowance for doubtful debts inadequate to any substantial extent;

(ii) the values attributed to the current assets in the financial statements misleading;

(iii) any amount stated in the financial statements misleading; and

(iv) adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

(c) No contingent or other liabilities of the Company have become enforceable, or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company to meet its obligations as and when they fall due.

(d) At the date of this report, there does not exist:

(i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) any contingent liability in respect of the Company which has arisen since the end of the financial year.

(e) In the opinion of the Directors:

(i) the results of the operations of the Company during the financial year were not been substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

Immediate Holding Company

The immediate holding company is Thermax Limited, a company incorporated and domiciled in India.

Ultimate Holding Company

The ultimate holding company is ARA Trusteeship Company Private Limited (holding shares in Trust), a company incorporated in India.

Staff Information

The total number of staff of the Company (excluding Directors) at the end of the financial year was 2 (2015: 2).

Auditors

The auditors, Messrs. Morison Anuarul Azizan Chew, have expressed their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors.

Unnikrishnan Damodaran   Kaustubh Arun Pathak

Kuala Lumpur Wilayah Persekutuan
Date: 13 May 2016

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, UNNIKRISHNAN DAMODARAN and KAUSTUBH ARUN PATHAK, being the Directors of THERMAX SDN. BHD., do hereby state that, in the opinion of the Directors, the financial statements set out on pages 9 to 20 are drawn up in accordance with the Private Entity Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of financial position of the Company as at 31 March 2016 and of its financial performance and cash flows for the financial year then ended.

Signed in accordance with a resolution of the Directors.

Unnikrishnan Damodaran

Kaustubh Arun Pathak

Kuala Lumpur Wilayah Persekutuan
Date: 13 May 2016

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, KAUSTUBH ARUN PATHAK, being the Director primarily responsible for the financial management of THERMAX SDN. BHD., do solemnly and sincerely declare that the financial statements set out on pages 9 to 20 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Kaustubh Arun Pathak at Kuala Lumpur Wilayah Persekutuan on this date of 13 May 2016

Kaustubh Arun Pathak

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF THERMAX SDN. BHD.
(Company No.: 944923-K)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the accompanying financial statements of Thermax Sdn. Bhd., which comprise the balance sheet as at 31 March 2016 and the income statement, statement of changes in equity and cash flows statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 20.

Directors' Responsibility for the Financial Statements

The Company's Directors are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Private Entity Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are responsible for such internal controls as the Directors determine are 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 these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 our 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, we consider internal controls relevant to Company's preparation of the 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 controls. An audit also involves evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, 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 audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 March 2016 and of its financial performance and cash flows for the year then ended in accordance with Private Entity Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company have been properly kept in accordance with the requirements of the Companies Act, 1965 in Malaysia.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume any responsibility to any other person for the content of this report.

MORISON ANUARUL AZIZAN CHEW
Firm Number: AF 001977
Chartered Accountants
Kuala Lumpur
Date: 13 May 2016

SATHIEA SEELEAN A/L MANICKAM
Approved Number: 1729/05/18 (J/PH)
Chartered Accountant

Balance Sheet as At 31 March 2016

	Note	2016		2015	
		RM	Rs Lacs	RM	Rs Lacs
Non-Current asset					
Property, Plant and Equipment	3	284	0.05	319	0.05
Current assets					
Other receivables	4	33,867	5.75	31,603	5.34
Amount owing by immediate Holding Company	5	434,942	73.88	298,157	50.33
Cash & Bank Balances		182,256	30.96	244,556	41.28
Total Assets		651,065	110.60	574,316	96.95
Current Liabilities					
Other Payables	6	30,548	5.19	14,250	2.41
Amount owing to a Director	7	-	-	1,385	0.23
Tax Payable		8,499	1.44	2,313	0.39
		39,047	6.63	17,948	3.03
Net Current assets		612,018	103.96	556,368	93.92
Total Assets		612,302	104.01	556,687	93.98
Financed By:					
Share Capital	8	500,002	84.94	500,002	84.41
Retained Profits		112,300	19.08	56,685	9.57
Shareholders' Funds		612,302	104.01	556,687	93.98

Approved by the Board of Directors on 13 May 2016 and signed on its behalf by:

Unnikrishnan Damodaran
Director

Kaustubh Arun Pathak
Director

Statement of Changes in Equity for the financial year ended 31 March 2016

	Share Capital		Retained Profits		Total	
	RM	Rs Lacs	RM	Rs Lacs	RM	Rs Lacs
At 1 April 2014	500,002	84.94	28,158	4.78	528,160	89.72
Net Profit for the financial year	-	-	28,527	4.85	28,527	4.85
At 31 March 2015	500,002	84.94	56,685	9.63	556,687	94.57
At 1 April 2015	500,002	84.94	56,685	9.63	556,687	94.57
Net Profit for the financial year	-	-	55,615	9.45	55,615	9.45
At 31 March 2016	500,002	84.94	112,300	19.08	612,302	104.01

Income Statement for the financial year ended 31 March 2016

	Note	2016		2015	
		RM	Rs Lacs	RM	Rs Lacs
Revenue		-	-	-	-
Cost of Sales		-	-	-	-
Gross Profit		-	-	-	-
Other Operating income		1,047,762	177.99	956,830	161.53
Administration Expenses		(967,046)	(164.27)	(910,001)	(153.62)
Profit Before Taxation	9	80,716	13.71	46,829	7.91
Taxation	10	(25,101)	(4.26)	(18,302)	(3.09)
Net Profit for the Financial Year		55,615	9.45	28,527	4.82

The accompanying notes form an integral part of the financial statements

Exchange Rate : as at 31 March 2016 is 1 RM = Rs 16.98

Exchange Rate : as at 31 March 2015 is 1 RM = Rs 16.88

Cash Flow Statement for the financial year ended 31 March 2016

	2016		2015	
	RM	Rs Lacs	RM	Rs Lacs
Cash flows from operating activities				
Profit before taxation	80,716	13.71	46,829	7.91
Adjustments for:-				
Depreciation of property, plant and equipment	35	0.01	26	0.00
Operating profit before working capital changes	80,751	13.72	46,855	7.91
Changes in working capital				
Other receivables	(2,264)	(0.38)	(5,662)	(0.96)
Amount owing by immediate holding company	(136,785)	(23.24)	(105,327)	(17.78)
Other Payables	16,298	2.77	(5,515)	(0.93)
Amount Owing to a Director	(1,385)	(0.24)	1,385	0.23
Cash used in operations	(43,385)	(7.37)	(68,264)	(11.52)
Tax paid	(18,915)	(3.21)	(15,127)	(2.55)
Net cash used in operating activities	(62,300)	(10.58)	(83,391)	(14.08)
Cash flows from investing activities				
Purchase of property, plant and equipment	-	-	(345)	(0.06)
Net cash outflow from financing activities	-	-	(345)	(0.06)
Net decrease in cash and cash equivalents	(62,300)	(10.58)	(83,736)	(14.14)
Cash and cash equivalents at the beginning of the financial year	244,556	41.54	328,292	55.42
Cash and cash equivalents at end of the financial year	182,256	30.96	244,556	41.28
Cash and cash equivalents at end of the financial year Comprises:				
Cash & Bank Balances	182,256	30.96	244,556	41.28

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

1. Corporate Information

The principal activities of the Company are that of turnkey solutions provider and to undertake the sales, services and procurement of industrial equipment.

The Company is a private limited liability company, incorporated under the Companies Act, 1965 and domiciled in Malaysia.

The registered office of the Company is located at Suite 50-4-3A, 4th Floor, Wisma UOA Damansara, 50, Jalan Dungun, 50490 Kuala Lumpur.

The principal place of business of the Company is located at A-35-3, Level 35, Menara UOA Bangsar, No. 5 Jalan Bangsar Utama 1, 59100 Kuala Lumpur.

2. Significant Accounting Policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and comply with the Private Entity Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 2(f) to the financial statements.

Property, plant and equipment are depreciated on a straight line method at rates calculated to write off the cost of the assets to their residual value over their estimated useful lives at the following annual rate:

Office equipment 10%

Gain or losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/(loss) from operations.

(c) Other receivables

Other receivables are carried at anticipated realisable value. Bad debts are written off when identified. Doubtful debts are provided based on specific review of the receivables.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(e) Other payables

Other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(f) Impairment of assets

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(g) Income tax

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is recognised on the liability method for all temporary differences between the carrying amount of an assets or liabilities in the statement of financial position and its tax base at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax asset and liability is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantially enacted by the reporting date. The carrying amount of a deferred tax asset is reviewed at each reporting date and is reduced to the extent that it becomes probable that sufficient future taxable profit will be available.

Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

(h) Financial instruments

Financial instruments carried on the balance sheet represent payables. Financial instruments are recognised in the balance sheet when the Company has become a party to the contractual provisions of the instrument.

3. Property, Plant and Equipment

	Office equipment RM
Cost	
At 1.4.2015/ 31.3.2016	345
Accumulated depreciation	
At 1.4.2015	26
Charge for the financial year	35
At 31.3.2016	61
Carrying amount	
At 31.3.2016	284
At 31.3.2015	319
Depreciation charge for the financial year ended 31.3.2015	26

4. Other Receivables

	2016 RM	2015 RM
Other receivable	**11,587**	12,703
Deposit	**15,980**	12,600
Prepayments	**6,300**	6,300
	33,867	31,603

5. Amount Owing by Immediate Holding Company

This represents non-trade in nature, interest-free and are repayable on demand.

6. Other Payables

	2016 RM	2015 RM
Other payable	**21,430**	4,700
Accruals	**9,118**	9,550
	30,548	14,250

7. Amount Owing to a Director

This represents non-trade in nature, interest-free and are repayable on demand.

8. Share Capital

	Number of ordinary shares of RM1 each		Amount	
	2016 Units	**2015 Units**	**2016 RM**	**2015 RM**
Authorised				
At 1 April/31 March	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid				
At 1 April/31 March	500,002	500,002	500,002	500,002

9. Profit before Taxation

Profit before taxation is derived after charging:

	2016 RM	2015 RM
Auditors' remuneration	**5,100**	5,000
Directors' remuneration	**154,341**	132,307
Depreciation of property, plant and equipment	**35**	26
Rental:		
- Office	**75,600**	75,600
- Others	**1,823**	1,064

10. Taxation

	2016 RM	2015 RM
Income tax:		
- Current year	**20,138**	13,951
- Under provision in prior years	**4,963**	4,351
	25,101	18,302

Income tax is calculated at the statutory rate of 25% on the chargeable income of the estimated assessable profit for the financial year.

The Malaysian statutory tax rate will be reduced to 19% on the first RM500,000 and 24% on the remaining chargeable income above RM500,000 of the assessable profit effective from year of assessment 2016.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	2016 RM	2015 RM
Profit before taxation	**80,716**	46,829
Taxation on statutory tax rate of 25% (2015: 25%)	**20,179**	11,707
Effect of different tax rate for chargeable income up to RM500,000	**(5,034)**	-
Expenses not deductible for tax purposes	**4,993**	2,244
Under provision of taxation in prior years	**4,963**	4,351
Taxation for the financial year	**25,101**	18,302

11. Staff Information

	2016 RM	2015 RM
Staff costs (excluding Directors)	**440,656**	428,200

Included in staff costs of the Company (excluding Directors) is contributions made to the Employees Provident Fund under a defined contribution plan amounting to RM3,615 (2015: RM3,528).

12. Related Party Transactions

The Company had the following transactions with related party during the financial year:

	2016 RM	2015 RM
Administration fee charged to immediate holding company	**1,047,762**	956,830

13. Financial Instruments

(a) Financial risk management objectives and policies

The Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Company's operations whilst managing its financial risks, including credit risk, liquidity and cash flow risk.

(b) Credit risk

The Company's exposure to credit risk arises mainly from receivables. Receivables are monitored on an ongoing basis via management reporting procedure and action is taken to recover debts when due.

At balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk for the Company is the carrying amount of the financial assets shown in the balance sheet.

(c) Liquidity and cash flows risk

The Company maintains a certain level of cash and cash convertible investments to meet its working capital requirements.

(d) Fair values

The carrying amounts of cash and cash equivalents, receivables, and payables approximate their respective fair values due to the relatively short term nature of these financial instruments.

14. Date of Authorisation for Issue

The financial statements of the Company for the financial year 31 March 2016 were authorised for issue in accordance with a resolution of the Board of Directors on 13 May 2016.

BOILERWORKS A/S

Board of Directors

Hemant Prabhakar Mohgaonkar
(Chairman)

Amitabha Mukhopadhyay
(Vice Chairman)

Jan Enemark

Registered Office

Papegøjevej

DK-6270

Tønder

Auditors

Ernst & Young

Godkendt Revisionspartnerselskab

Havnegade 33

DK 6700 Esbjerg

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Boilerworks A/S 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 the Company's operations and cash flows for the financial year 1 April 2015 – 31 March 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Tønder, 19 May 2016

Executive Board:

Jan Enemark

Board of Directors:

Hemant Prabhakar Mohgaonkar Chairman	Amitabha Mukhopadhyay Vice Chairman	Jan Enemark

Independent Auditors' Report

To the shareholders of Boilerworks A/S

Independent auditors' report on the financial statements

We have audited the financial statements of Boilerworks A/S for the financial year 1 April 2015 – 31 March 2016, which comprise income statement, balance sheet, and notes, including accounting policies. 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.

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 other 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

BOILERWORKS A/S

Management's review

Company details
Boilerworks A/S
Papegøjevej 7
DK 6270 Tønder

CVR no.	35 22 67 88
Established	12 April 2013
Registered office	Tønder
Financial year	1 April – 31 March
Telephone	+45 73 64 48 50
Fax	+45 75 64 48 51

Board of Directors
Hemant Prabhakar Mohgaonkar (Chairman)
Amitabha Mukhopadhyay (Vice Chairman)
Jan Enemark

Executive Board
Jan Enemark

Auditors
Ernst & Young
Godkendt Revisionspartnerselskab
Havnegade 33
DK-6700 Esbjerg

Financial highlights

DKK'000	2015/16	2014/15	2013/14
Key figures			
Gross profit	**11,773**	7,893	11,542
Ordinary operating profit/loss	**429**	-2,871	2,678
Profit/loss before tax	**66**	-3,231	2,261
Profit/loss for the year	**191**	**-2,376**	**1,731**
Total assets	**26,566**	23,279	28,401
Investment in property, plant and equipment	**660**	218	7,962
Equity	**2,531**	**2,311**	**4,731**
Financial ratios			
Return on invested capital	**3.6**	-21.9	0.1
Equity ratio	**9.5**	9.9	16.7
Return on equity	**7.9**	-67.5	0.4
Average number of full-time employees	**82**	**70**	**67**

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Operating review

Principal activities of the Company

Boilerworks A/S, which has its registered address in the Danish municipality of Toender, is a fully owned subsidiary of Danstoker A/S. 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.

Boilerworks A/S designs, produces and supplies high-pressure boilers and components to power stations, waste-fuelled and biomass-fuelled plants as well as petrochemical plants. Moreover, the Company manufactures a wide variety of heat exchangers and flue-gas coolers.

The maintenance of boiler systems is one of Boilerworks' specialties. This includes everything from simple repairs to extensive maintenance planning, modernisation and optimisations of the system, installation of new components and control systems.

The Company has succeeded in re-establishing its previous position as one of the leading manufacturers of components for high pressures and temperatures for the most advanced pressurized systems.

Development in activities and financial position

Boilerworks is highly active within the area of service, and the Company has been able to re-establish its position as one of the leading operators in Scandinavia within this segment.

The introduction of the Lean ideas and Lean processes will be initiated during the next financial year.

The overall results achieved by Boilerworks this year are lower than provided for in the budget. The result achieved is improved compared to last year, but not satisfactory.

The profit for the year before tax is DKK 66 thousand and after tax DKK 191 thousand.

Future outlook

Boilerworks' total volume of orders at the end of the financial year is improved and satisfactory.

Boilerworks will focus on the Lean concept, the optimiszation process in general and the order fulfilment process in particular.

The aim is to generate a profitable, strong and independent enterprise at Boilerworks. The Management will work to maintain an attractive work place with competent employees, based on competitive products sold to professional co-operation partners and customers in selected markets where such products are delivered in the quality and at the time and prices agreed.

Moreover, Boilerworks aims at achieving optimal utilization of the production facilities.

The Management of Boilerworks is of the opinion that the Company is not facing special risks in the long term, neither in its markets nor otherwise.

The growing, necessary global political focus on CO2 will contribute in the long term to making our CO2-neutral products within biofuels even more relevant and will contribute to securing Boilerworks' continued positive development.

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

Events after the balance sheet date

The Management is of the opinion that from the balance sheet date until today, no events have occurred which could alter the assessment of the annual report substantially.

Balance Sheet as at 31 March 2016

	Note	2015/16 DKK'000	2015/16 Rs Lacs	2014/15 DKK'000	2014/15 Rs Lacs
ASSETS					
Non-current assets					
Intangible assets	5				
Goodwill		**1,804**	**182.53**	1,910	171.46
Patents and licences		**130**	**13.15**	448	40.22
Development in progress		**-**	**-**	-	-
Development completed		**76**	**7.69**	146	13.11
		2,010	**203.38**	2,504	224.78
Property, plant and equipment	6				
Plant and machinery		**4,186**	**423.55**	5,103	458.09
Fixtures and fittings, tools and equipment		**63**	**6.37**	160	14.36
		4,249	**429.92**	5,263	472.46
Total non-current assets		**6,259**	**633.30**	7,767	697.24
Current assets					
Inventories					
Raw materials and consumables		**1,915**	**193.76**	2,434	228.50
Semi-finished goods		**83**	**8.40**	31	2.78
		1,998	**202.16**	2,465	221.28
Receivables					
Trade receivables		**7,748**	**783.96**	3,920	351.90
Work in progress (customer-specific orders)	7	**6,815**	**689.56**	1,703	152.88
Amounts owed by group enterprises		**2,886**	**292.01**	1,906	171.10
Other receivables		**12**	**1.21**	17	1.53
Prepayments	8	**389**	**39.36**	142	12.75
		17,850	**1,806.10**	7,688	690.15
Cash at bank and in hand		**459**	**46.44**	5,359	481.08
Total current assets		**20,307**	**2,054.71**	15,512	1,392.51
Total assets		**26,566**	**2,688.00**	23,279	2,089.75
EQUITY AND LIABILITIES					
Equity					
Share capital	9	**500**	**50.59**	500	44.88
Contributed premium		**2,500**	**252.96**	2,500	224.42
Retained earnings		**(469)**	**(47.45)**	(689)	(61.85)
TOTAL EQUITY		**2,531**	**256.09**	2,311	207.46
Provisions					
Deferred tax	10	**2,093**	**211.77**	1,537	137.98
Other provisions	11	**477**	**48.26**	493	44.26
Total provisions		**2,570**	**260.04**	2,030	182.23
Liabilities					
Current liabilities					
Bank loans		**9,611**	**972.46**	-	-
Trade payables		**2,683**	**271.47**	1,906	171.10
Amounts owed to group enterprises		**2,439**	**246.78**	8,413	755.23
Prepayments received from customers	7	**830**	**83.98**	2,856	256.38
Other payables		**5,902**	**597.18**	5,763	517.34
		21,465	**2,171.87**	18,938	1,700.06
TOTAL EQUITY AND LIABILITIES		**26,566**	**2,688.00**	23,279	2,089.75

Income Statement for the period 1 April 2015– 31 March 2016

	Note	2015/16 DKK'000	2015/16 Rs Lacs	2014/15 DKK'000	2014/15 Rs Lacs
Gross profit	2	**11,773**	**1,191.22**	7,893	708.55
Sales and distribution costs		**(1,142)**	**(115.55)**	(1,288)	(115.62)
Administrative expenses		**(10,202)**	**(1,032.26)**	(9,476)	(850.66)
Operating (Loss)/ Profit		**429**	**43.41**	(2,871)	(257.73)
Financial income		**537**	**54.33**	26	2.33
Financial expenses	3	**(900)**	**(91.06)**	(386)	(34.65)
(Loss)/ Profit before tax		**66**	**6.68**	(3,231)	(290.05)
Tax on profit for the year	4	**125**	**12.65**	855	76.75
(Loss) / Profit for the year		**191**	**19.33**	(2,376)	(213.29)
Proposed distribution of profit/loss					
Proposed dividends		**-**	**-**	-	-
Retained earnings		**191**	**19.33**	(2,376)	(213.29)
		191	**19.33**	(2,376)	(213.29)

1 Accounting policies

12 Employee relations

13 Charges, collateral and contingencies, etc.

14 Related party - ownership

Statement of Changes in Equity

	Share capital		Contributed Premium		Retained earnings		Total	
	DKK'000	Rs Lacs	DKK'000	Rs Lacs	DKK'000	Rs Lacs	DKK'000	Rs Lacs
Equity at 1 April 2015	500	50.59	2,500	252.96	(689)	(69.71)	2,311	233.83
Tramsferred, cf. profit appropriation	-	-	-	-	191	19.33	191	19.33
Change in value of hedging instruments	-	-	-	-	38	3.84	38	3.84
Tax on changes in equity	-	-	-	-	(9)	(0.91)	(9)	(0.91)
Equity at 31 March 2016	500	50.59	2,500	252.96	(469)	(47.45)	2,531	256.09

The contributed capital consists of 1 share at a nominal value of DKK 500,000

Exchange rate : as at 31st Mar 16 is 1 DKK = Rs 10.1182

Exchange rate : as at 31st Mar 15 is 1 DKK = Rs 8.9770

Notes to the financial statements

1 Accounting policies

The annual report of Boilerworks A/S for the period 1 April 2015 – 31 March 2016 has been prepared in accordance with the provisions applying to reporting class C medium-sized enterprises under the Danish Financial Statements Act.

Cash flow statements have not been prepared as the same are not required as per section 86(4) of the Danish Financial Statements Act. The annual report of Boilerworks A/S is 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.

General comments on 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 such assets can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and the value of such liabilities 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.

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. Moreover, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts that were previously recognised in the income statement.

Foreign currency translation

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rates at the transaction date. Exchange rate differences arising between the exchange rates at the transaction date and the exchange rate at the date of payment are recognised as a financial item in the income statement.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the exchange rates at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised as financial income or financial expenses 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 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 forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects profit or loss.

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.

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place by the end of the year and that the income can be reliably measured and is expected to be received. Revenue is recognised ex. VAT and taxes charged on behalf of third parties.

Work in progress concerning customised production is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (the percentage of completion method).

Sales and distribution costs

Sales and distribution costs comprise costs incurred for the distribution of goods sold during the year and for sales campaigns, etc., carried out during the year. Also, costs relating to sales staff, advertising, exhibition and depreciation are recognised as sales and distribution costs.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Company, including expenses for administrative staff, office premises and office expenses as well as depreciation.

Financial income and expenses

Financial income and expenses comprise interest income and expense, capital gains and capital loss on securities, payables and transactions denominated in foreign currencies and amortisation of financial assets and liabilities.

Tax on profit or loss from ordinary activities

The Company is covered by the Danish rules on compulsory joint taxation of the Thermax Denmark ApS. 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 therefore settles all payments of corporation tax with the tax authorities.

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

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

Balance sheet

Intangible assets

Goodwill is amortised over its estimated useful life determined on the basis of Management's experience of the specific business areas. Goodwill is amortised on a straight-line basis over a maximum amortisation period of 20 years, as it relates to strategically acquired enterprises with strong market positions and long-term earnings profiles.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the licence period.

Development costs comprise costs, salaries and amortisation directly or indirectly attributable to the Company's development activities.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 3 years.

Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Property, plant and equipment

Plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. 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 cost of self-constructed assets comprises direct and indirect costs of materials, components, sub suppliers, and wages and salaries.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
Plant and machinery	3-10 years

Depreciation is recognised in the income statement as production costs (gross profit), sales/ distribution costs and administrative expenses, respectively.

Gains and 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. Gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Leases

Leases for non-current assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are initially recognised in the balance sheet at cost, corresponding to the lower of fair value and the net present value of future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other non-current assets.

The capitalised residual lease obligation is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are treated as operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed in contingencies, etc.

Impairment of assets

The carrying amount of intangible assets and property, plant and equipment 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.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs. Semi-finished goods are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs necessary to make the sale and is determined in consideration of marketability, obsolescence and development in expected selling price.

Receivables

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

Work in progress (customised orders)

Work in progress (customised orders) are measured at the selling price of the work performed, less any payments received on account of the customer and expected losses. The orders are characterized by the fact that the orders contain high levels of individualization of the design. Moreover, it is a requirement that before the start of the order a binding order has been entered, which will result in penalty or replacement by later removal.

The selling price is measured by reference to the stage of completion at the balance sheet date and total expected income from the contract. The stage of completion is determined on the basis of an estimate of the work, usually calculated as the ratio between the costs incurred and total estimated costs of the order or hours worked and the total estimated hours worked for that order.

When it is probable that total costs for an order will exceed total revenue, the expected loss on the order immediately is recognised as an expense and a provision.

When the selling price of an individual order cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Net assets are determined as the sum of orders where the selling price of the work performed exceeds progress billings. Net liabilities are determined as the sum of orders where progress billings exceed the selling price.

Prepayments from customers are recognized as liabilities.

Selling costs and costs incurred in securing contracts are recognised in the income statement when incurred.

Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

Equity dividends

Proposed dividends are recognised as a liability at the date of adoption by 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 enterprises' liability for their own corporation tax payments to the tax authorities is settled concurrently with payment of the joint taxation contribution to the administrative company.

Joint taxation contributions payable and receivable are recognised in the balance sheet under balances with group enterprises.

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

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

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

Other provisions

Provisions comprise anticipated costs related to warranties. Provisions are recognised when – as the result of past events – the Company has a legal or constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

Warranties comprise obligations to make good any defects within the warranty period of 1-5 years. Provisions are measured and recognised on the basis of past experience with warranty work.

If it is likely that total costs will exceed total income from contract work in progress, a provision is made for the total loss anticipated on the contract. The provision is recognised in production costs.

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, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual obligation on finance leases.

Other liabilities are measured at net realisable value.

Financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Return on invested capital	$\dfrac{\text{Operating Profit x 100}}{\text{Average Invested Capital}}$
Invested capital	Operating intangible assets and property, plant and equipment plus net working capital
Equity ratio	$\dfrac{\text{Equity at the year end x 100}}{\text{Total equity and liabilities at the year end}}$
Return on equity	$\dfrac{\text{Profit from ordinary activities after tax x 100}}{\text{Average Equity}}$

Notes to the financial statements

2 Gross profit

In compliance with section 32 of the Danish Financial Statements Act, the Company has decided not to specify its revenue.

DKK'000	2015/16	2014/15
3 Financial expenses		
Interest expense to group enterprises	**-75**	-210
Other interest expenses, including foreign exchange losses, etc.	**-825**	-176
	-900	-386
4 Tax on profit/loss for the year		
Specified as follows:		
Current tax for the year	**-681**	-268
Deferred tax adjustment for the year	**699**	-522
Adjustment of deferred tax due to changes in the tax rate	**-143**	-65
	-125	-855

5 Intangible assets

DKK'000	Development completed	Patents and licences	Goodwill	Total
Cost at 1 April 2015	210	955	2,116	3,281
Additions during the year	0	0	0	0
Cost at 31 March 2016	210	955	2,116	3,281
Impairment losses and depreciation at 1 April 2015	64	507	206	777
Depreciation	70	318	106	494
Impairment losses and depreciation at 31 March 2016	134	825	312	1,271
Carrying amount at 31 March 2016	**76**	**130**	**1,804**	2,010

6 Property, plant and equipment

DKK'000	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 April 2015	7,731	392	8,123
Additions during the year	641	19	660
Disposals during the year	0	0	0
Cost at 31 March 2016	8,372	411	8,783
Impairment losses and depreciation at 1 April 2015	2,628	232	2,860
Depreciation	1,558	116	1,674
Depreciation, disposals	0	0	0
Impairment losses and depreciation at 31 March 2016	4,186	348	4,534
Carrying amount at 31 March 2016	4,186	63	4,249

DKK'000	2015/16	2014/15
7 Work in progress (customer specific orders)		
Work in progress	**39,432**	32,763
Payments on account	**-33,447**	-33,916
	5,985	-1,153
Recognised as follows:		
Work in progress (customer specific orders) (assets)	**6,815**	1,703
Prepayments received from customers (liabilities)	**-830**	-2,856
	5,985	-1,153

8 Prepayments

Prepayments comprise prepaid insurance premium, and other prepaid costs.

9 Equity

DKK'000	Share capital	Contributed premium	Retained earnings	Total
Equity at 1 April 2015	500	2,500	-689	2,311
Transferred, cf. profit appropriation	0	0	191	191
Change in value of hedging instruments	0	0	38	38
Tax on changes in equity	0	0	-9	-9
Equity at 31 March 2016	500	2,500	-469	2,531

The contributed capital consists of 1 share at a nominal value of DKK 500,000.

DKK'000	2015/16	2014/15
10 Deferred tax		
Deferred tax at 1 April 2015 / 1 April 2014	**1,537**	2,124
Deferred tax adjustment	**556**	-587
Deferred tax at 31 March	**2,093**	1,537

11 Other provisions

Other provisions consists of custom warranties, DKK 477 thousand (2014/15: DKK 493 thousand).

DKK'000	2015/16	2014/15
12 Employee relations		
Wages and salaries	**34,622**	30,590
Pensions	**2,283**	2,046
Other social security costs	**176**	152
	37,081	32,788
Remuneration of the Executive Board and the Board of Directors	**0**	0
Average number of full-time employees	**82**	70

13 Charges, collateral and contingencies

Lease obligations (operating leases) falling due within 29 months total DKK 350 thousand, hereof DKK 198 thousand is falling due 2016/17.

Performance bonds and advance payment guarantees issued by guarantors' amount to DKK 5,086 thousand.

The Company has entered into lease contract that is non-terminable until 30 September 2019. Tenancy commitments in lease buildings amount to DKK 7,140 thousand, of this DKK 2,040 thousand concerns 2016/17.

The Company has entered project-related forward exchange contracts, concerning currency in SEK 14,600 thousand with a net position as of 31 March 2016 to DKK -21 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.

14 Related party disclosures

Boilerworks A/S' related parties comprise the following:

Parties exercising control

Danstoker A/S holds the majority of the share capital in the Company.

Information about consolidated financial statements

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

Ownership

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

Danstoker A/S

Industrivej Nord 13

7400 Herning

BOILERWORKS PROPERTIES ApS

Executive Board	*Registered Office*	*Auditors*
Hemant Prabhakar Mohgaonkar	Boilerworks Properties ApS	Ernst & Young
Amitabha Mukhopadhyay	Industrivej Nord 13	Godkendt Revisionspartnerselskab
	DK - 7400 Herning	Havnegade 33
		DK 6700 Esbjerg

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 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 the Company's 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 Boilerworks Properties ApS

Independent auditors' report on the financial statements

We have audited the financial statements of Boilerworks Properties ApS 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.

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	Birgitte Nygaard Jørgensen
State Authorised	State Authorised
Public Accountant	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

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 (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 profit for the year, DKK 1,364 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.

BOILERWORKS PROPERTIES ApS

Income Statement
For the period 1 April 2015 to 31 March 2016

	Note	2015/16		2014/15	
		DKK'000	**Rs Lacs**	DKK'000	Rs Lacs
Gross profit		**1,902**	**192.45**	2,002	179.72
Impairment losses and depreciation	5	**(125)**	**(11.22)**	(124)	(11.13)
Operating profit		**1,777**	**181.23**	1,878	168.59
Financial income	2	**9**	**0.91**	75	6.73
Financial expenses	3	**(3)**	**(0.30)**	(39)	(3.50)
Profit before tax		**1,783**	**181.83**	1,914	171.82
Tax on profit for the year	4	**(419)**	**(42.40)**	(468)	(42.01)
Profit for the year		**1,364**	**139.44**	1,446	129.81
Proposed profit appropriation					
Proposed dividend		-	-	2,000	179.54
Retained earnings		**1,364**	**138.01**	(554)	(49.73)
		1,364	**138.01**	1,446	129.81

Balance Sheet as at 31 March 2016

	Note	2015/16		2014/15	
		DKK'000	**Rs Lacs**	DKK'000	Rs Lacs
ASSETS					
Non-current assets					
Property, plant and equipment	5				
Land and buildings		**4,216**	**426.58**	4,293	385.38
Total non-current assets		**4,216**	**426.58**	4,293	385.38
Current assets					
Receivables					
Amount owed by group enterprises		**155**	**15.68**	1,156	103.77
		155	**15.68**	1,156	103.77
Cash at bank and in hand		**237**	**23.98**	465	41.74
Total current assets		**392**	**39.66**	1,621	145.52
TOTAL ASSETS		**4,608**	**466.25**	5,914	530.90
EQUITY AND LIABILITIES					
Equity	6				
Share capital		**80**	**8.09**	80	7.18
Contributed premium		**920**	**93.09**	920	82.59
Retained earnings		**2,144**	**216.93**	780	70.02
Dividend proposed for the year		-	-	2,000	179.54
Total equity		**3,144**	**318.12**	3,780	339.33
Liabilities					
Current liabilities other than provisions					
Amounts owed to group companies		**1,332**	**134.77**	1,969	176.76
Other payables		**131**	**13.25**	159	14.27
		1,463	**148.03**	2,128	191.03
Provisions					
Provisions for deferred tax		**1**	**0.10**	6	0.54
Total Provisions		**1**	**0.10**	6	0.54
Total liabilities		**1,464**	**148.13**	2,134	191.57
TOTAL EQUITY AND LIABILITIES		**4,608**	**466.25**	5,914	530.90

Statement of Changes in Equity

	Share Capital		Contributed premium		Retained earnings		Dividend proposed for the year		Total	
	DKK'000	**Rs Lacs**	**DKK'000**	**Rs Lacs**	**DKK'000**	**Rs Lacs**	**DKK'000**	**Rs Lacs**	**DKK'000**	**Rs Lacs**
Equity at 1 April 2015	80	8.09	920	93.09	780	78.92	2,000	202.36	3,780	382.47
Retained profit for the year	-	-	-	-	1,364	138.01	-	-	1,364	138.01
Paid dividends	-	-	-	-	-	-	-2,000	(202.36)	-2,000	(202.36)
Equity at 31 March 2016	80	8.09	920	93.09	2,144	216.93	-	-	3,144	318.12

Exchange rate : as at 31st Mar 16 is 1 DKK = Rs 10.1182

Exchange rate : as at 31st Mar 15 is 1 DKK = Rs 8.9770

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

Notes to the financial statements

1 Accounting policies

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

The Accounting policies used in 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.

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.

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.

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.

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.

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 2015– 31 March 2016

Notes to the financial statements

DKK'000

2 Financial income

	2015/16	2014/15
Interest income, group enterprises	**9**	75
Total financial income	**9**	75

3 Financial expenses

Interest expense, group enterprises	**3**	39
Total financial expenses	**3**	39

4 Tax on profit for the year

Joint taxation contribution for the year	425	460
Adjustment of deferred tax assets	-6	8
	419	468

5 Property, plant and equipment

	Land and buildings
Cost at 1 April 2015	4,575
Additions	48
Disposals	0
Cost at 31 March 2016	4,623
Impairment losses and depreciation at 1 April 2015	-282
Impairment losses and depreciation for the year	-125
Impairment losses and depreciationat 31 March 2016	-407
Carrying amount at 31 March 2016	**4,216**

6 Equity

	Share capital	Contri-buted premium	Retained earnings	Dividend proposed for the year	Total
Equity at 1 April 2015	80	920	780	2,000	3,780
Retained profit for the year	0	0	1,364	0	1,364
Paid dividends	0	0	0	-2,000	-2,000
	80	**920**	**2,144**	**0**	**3,144**

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.

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

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

THERMAX ENGINEERING SINGAPORE PTE LTD

Board of Directors	***Registered Office***	***Auditors***
Amitabha Mukhopadhyay Hemant Mohgaonkar Ha Ling-Ling	100 Beach Road, # 30-00, Show Towers, Singapore 189702	Pricewaterhouse Coopers LLP 8 Cross Street, # 17-00, PWC Building Singapore 048424

DIRECTORS' STATEMENT

For the financial year ended 31 March 2016

The directors present their statement to the member together with the audited financial statements for the financial year ended 31 March 2016.

In the opinion of the directors,

(a) the financial statements as set out on pages 4 to 17 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this statement are as follows:

Amitabha Mukhopadhyay

Hemant Prabhakar Mohgaonkar

Ha Ling-Ling

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial period had any interest in the shares or debentures of the Company or its related corporations.

Share options

No options were granted during the financial period to subscribe for unissued shares of the Company.

No shares were issued during the financial period by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial period.

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors,

Amitabha Mukhopadhyay	Hemant Mohgaonkar
Director	Director

Date: 11 May 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF THERMAX ENGINEERING SINGAPORE PTE LTD

Report on the Financial Statements

We have audited the accompanying financial statements of Thermax Engineering Singapore Pte Ltd (the "Company") set out on pages 4 to 17, which comprise the balance sheet as at 31 March 2016, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditor's 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 auditor considers internal control relevant to the entity'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 entity'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 audit opinion.

Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 March 2016, and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore,
Date: 11 May 2016

THERMAX ENGINEERING SINGAPORE PTE LTD

Statement of Comprehensive Income
For the financial year ended 31 March 2016

PARTICULARS	Notes	For the financial year ended 31 March 2016		For the financial period from 22 May 2014 (date of incorporation) to 31 March 2015	
INCOME		**USD**	**Rs Lacs**	**USD Restated**	**Rs Lacs**
Other Income	3	**103,970**	**68.88**	-	-
Currency exchange (loss)/gain - net		**(148)**	**(0.10)**	193	0.12
		103,822	**68.78**	193	0.12
EXPENSES					
- Professional and Legal Fees		**14,941**	**9.90**	19,145	11.96
- Bank charges		**1,995**	**1.32**	1,093	0.68
- Others		**2,581**	**1.71**	5,152	3.22
Total Expenses		**19,517**	**12.93**	25,390	15.87
Profit/(loss) before tax		**84,305**	**55.85**	(25,197)	(15.75)
Income tax expense	4	**-**	**-**	-	-
Profit after tax and total comprehensive income/(loss)		**84,305**	**55.85**	(25,197)	(15.75)

Exchange Rate : as at 31 March 2016 is 1 USD = Rs 66.25
Exchange Rate : as at 31 March 2015 is 1 USD = Rs 62.50

Balance Sheet
as at 31 March 2016

PARTICULARS	Notes	2016		2015	
		USD	**Rs Lacs**	USD Restated	Rs Lacs
ASSETS					
Current assets					
Cash & cash equivalents	5	**2,911,510**	**1,928.88**	343,276	214.53
Other Receivable	6	**103,970**	**68.88**	-	-
Other current assets	7	**4,629**	**3.07**	3,648	2.28
		3,020,109	**2,000.82**	346,924	216.81
Non-current assets					
Investments in a subsidiary	8	**7,849,837**	**5,200.52**	736,970	460.57
Total assets		**10,869,946**	**7,201.34**	1,083,894	677.38
LIABILITIES					
Current liabilities					
Other payables	9	**10,838**	**7.18**	9,090	5.68
Total liabilities		**10,838**	**7.18**	9,090	5.68
NET ASSETS		**10,859,108**	**7,194.16**	1,074,804	671.70
EQUITY					
Share capital	10	**10,800,000**	**7,155.00**	1,100,001	687.45
Retained earnings		**59,108**	**39.16**	(25,197)	(15.75)
Total Equity		**10,859,108**	**7,194.16**	1,074,804	671.70

Approved by the Board of Directors on 11 May 2016 and signed on its behalf by:

Amitabha Mukhopadhyay
Director

Hemant Mohgaonkar
Director

Statement Of Changes In Equity
For the financial year ended 31 March 2016

	Share Capital		Retained earnings		Total Equity	
2016	**USD**	**Rs Lacs**	**USD**	**Rs Lacs**	**USD**	**Rs Lacs**
Beginning of financial year	1,100,001	728.75	(25,197)	(16.69)	1,074,804	712.06
Shares issued during the year	9,699,999	6,426.25	-	-	9,699,999	6,426.25
Total comprehensive income	-	-	84,305	55.85	84,305	55.85
End of financial year	**10,800,000**	**7,155.00**	**59,108**	**39.16**	**10,859,108**	**7,194.16**
2015 (Restated)						
Balance at 22 May 2014 (date of incorporation)	-	-	-	-	-	-
Shares issued for incorporation	1,100,001	728.75	-	-	1,100,001	728.75
Total comprehensive loss	-	-	(25,197)	(16.69)	(25,197)	(16.69)
End of financial year	**1,100,001**	**728.75**	**(25,197)**	**(16.69)**	**1,074,804**	**712.06**

Statement Of Cash Flows
For the financial year ended 31 March 2016

PARTICULARS	**Note**	**For the financial year ended 31 March 2016**		For the financial period from 22.05.2014 (date of incorporation) to 31.03.2015	
		USD	**Rs Lacs**	USD Restated	Rs Lacs
Cash flow from operating activities					
Profit after tax		**84,305**	**55.85**	(25,197)	(15.75)
Changes in working capital:					
- Other Current assets		**(104,951)**	**(69.53)**	(3,648)	(2.28)
- Other Payables		**1,748**	**1.16**	9,090	5.68
Cash used in operations		**(18,898)**	**(12.52)**	(19,755)	(12.35)
Net cash used in operating activities		**(18,898)**	**(12.52)**	(19,755)	(12.35)
Cash flows from investing activities					
Investment in a subsidiary company		**(7,112,867)**	**(4,712.27)**	(736,970)	(460.57)
Net cash used in investing activities		**(7,112,867)**	**(4,712.27)**	(736,970)	(460.57)
Cash flows from financing activities					
Proceeds from issuance of ordinary shares		**9,699,999**	**6,426.25**	1,100,001	687.45
Net cash provided by financing activities		**9,699,999**	**6,426.25**	1,100,001	687.45
Net increase in cash and cash equivalents		**2,568,234**	**1,701.46**	343,276	214.53
Cash and cash equivalents at beginning of financials year		**343,276**	**227.42**	-	-
Cash and cash equivalents at end of financial year	5	**2,911,510**	**1,928.88**	343,276	214.53

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

The Company is incorporated and domiciled in Singapore. The address of its registered office is 100 Beach Road, #30-00, Shaw Towers, Singapore 189702.

The principal activity of the Company is that of an investment company.

2. Significant accounting policies

2.1 **Basis of preparation**

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below:

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. There are no areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements.

Interpretations and amendments to published standards effective in 2015

On 1 April 2015, the Company adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial period.

Restatement of comparatives

The comparative statement of comprehensive income for the financial period from 22 May 2014 (date of incorporation) to 31 March 2015 and balance sheet as at 31 March 2015 have been restated retrospectively to reflect the change in functional and presentation currency, as disclosed in Note 2.7 – Currency translation.

Exemption from preparation of consolidated financial statements

These financial statements are the separate financial statements of Thermax Engineering Singapore Pte Ltd.

The Company is exempted from the preparation of consolidated financial statements as the Company is a wholly-owned subsidiary of Thermax Limited, incorporated in India, which produces consolidated financial statements available for public use. The registered office of Thermax Limited is D-13, MIDC Industrial Area, R D Aga Road, Chinchwad, Pune 411019, India.

2.2 **Revenue recognition**

Interest income is recognised using the effective interest method.

2.3 **Investment in a subsidiary**

Investment in a subsidiary is carried at cost less accumulated impairment loss in the balance sheet. On disposal of investment in a subsidiary, the difference between disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2.4 **Loan and receivables**

Bank balances

Other receivables

Bank balances and other receivables are initially recognised at their fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Company assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets.

2.5 **Other payables**

Other payables represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. They are classified as current liabilities if payment is due within 12 months or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.6 **Income taxes**

Current income tax is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Current and deferred income tax is measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date, and are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

2.7 **Currency translation**

Change in functional currency

Effective from 1 April 2015, with significant financing transactions entered in United States Dollar, management has assessed that the United States Dollar would be the appropriate functional and presentation currency of the Company's financial statements. The comparative statement of comprehensive income for the financial period from 22 May 2014 (date of incorporation) to 31 March 2015 and balance sheet as at 31 March 2015 have been restated retrospectively to reflect the change in functional and presentation currency.

The financial statements are presented in United State Dollar, which is the functional currency of the Company.

Transactions in a currency other than United States Dollar ("foreign currency") are translated into United States Dollar using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rate at the date when the fair values are determined. Currency translation differences on these items are included in the fair value reserve.

2.8 **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include deposits with financial institutions, which are subject to an insignificant risk of change in value.

2.9 **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital accounts.

3. Other income

	For the financial year ended 31 March 2016 US$	For the financial period from 22 May 2014 (date of incorporation) to 31 March 2015 US$ (Restated)
Interest income from subsidiary	**103,970**	-

4. Income tax

There is no tax expense for the Company as there is no chargeable income for the financial year ended 31 March 2016 and for the financial period from 22 May 2014 (date of incorporation) to 31 March 2015.

The tax expense on the profits differs from the theoretical amount that would arise using the Singapore Standard rate of income tax as follows:

	For the financial year ended 31 March 2016 US$	For the financial period from 22 May 2014 (date of incorporation) to 31 March 2015 US$ (Restated)
Profit/(loss) before tax	**84,305**	(25,197)
Tax calculated at a tax rate of 17% (2015: 17%)	**14,332**	(4,283)
Effects of:		
- Statutory stepped income exemption	**(7,474)**	-
- Tax incentive	**(3,429)**	-
- Deferred tax asset not recognised	**-**	4,283
- Others	**(3,429)**	-
Tax charge	**-**	-

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. In prior year, the Company has unrecognised tax losses of SGD 25,197 at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses have no expiry date.

5. Cash and cash equivalents

	2016	2015
	US$	US$
		(Restated)
Cash at bank	**2,911,510**	343,276

6. Other receivable

	2016	2015
	US$	US$
		(Restated)
Due from subsidiary – non-trade	**103,970**	-

The non-trade amount due from subsidiary is unsecured, interest payable at 2.25% per annum (2015: Nil), and repayable on demand.

7. Other current assets

	2016	2015
	US$	US$
		(Restated)
Deposits	**3,709**	3,648
Prepayments	**920**	-
	4,629	3,648

8. Investment in a subsidiary

	2016 US$	2015 US$ (Restated)
Equity investments at cost		
Beginning of financial year	**736,970**	-
Additions	**7,112,867**	736,970
End of financial year	**7,849,837**	736,970

At the balance sheet date, the details of the subsidiary are as follows:

Name of company	Principal activity	Country of business/ incorporation	Equity holding	
			2016	2015
			%	%
PT Thermax International Indonesia	Manufacture of component parts	Indonesia	**99.90**	95.00

9. Other payables

	2016	2015
	US$	US$
		(Restated)
Accrual for operating expenses	**10,838**	9,090

10. Share capital

	No. of ordinary shares, with no par value	Amount US$ (Restated)
2016		
Balance at 1 April 2015	**1,100,001**	1,100,001
Issuance of ordinary shares	**9,699,999**	9,699,999
Balance at 31 March 2016	**10,800,000**	10,800,000
2015		
Balance at 22 May 2014 (date of incorporation)	**-**	-
Issuance of ordinary shares	**1,100,001**	1,100,001
Balance at 31 March 2015	**1,100,001**	1,100,001

During the financial year, the Company issued 9,699,999 ordinary shares for a total consideration of US$9,699,999. The newly issued shares rank pari passu in all respects with the previously issued shares.

11. Financial risk management

Financial risk factors

The Company's activities exposed it to market risk (including currency risk and interest rate risk), credit risk, and liquidity risk.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the company. The management team then establishes the detailed policies such as risk identification and measurement and exposure limits. Financial risk management is carried out by the finance personnel.

(a) Market risk

(i) Currency risk

The Company's business operations are not exposed to significant foreign currency risks as it has no significant transactions denominated in foreign currencies.

(ii) Interest rate risk

The Company has insignificant financial assets or liabilities that are exposed to interest rate risk.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset presented on the balance sheet. The Company's major class of financial assets is bank balance.

Bank deposits that are neither past due nor impaired are mainly deposits with financial institutions which have high credit ratings.

There is no other class of financial assets that is past due and/or impaired.

(c) Liquidity risk

The Company manages its liquidity risk by maintaining sufficient cash and has financial support from its holding corporation to enable it to meet is operational requirements. All financial liability balances are due within 12 months of the balance sheet date.

(d) Capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure by issuing or redeeming additional equity and debt instruments when necessary.

The Board of Directors monitors its capital based on net debt and total capital. Net debt is calculated as other payables less cash and bank deposits. Total capital is calculated as total equity plus net debt.

	2016	2015
	US$	US$
		(Restated)
Net debt	-	-
Total equity	10,859,108	1,074,804
	10,859,108	1,074,804

The Company is not subject to any externally imposed capital requirements.

(e) Fair value measurements

The carrying values of the current financial assets and financial liabilities of the Company approximate to their fair values.

12. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at terms agreed between the parties:

	2016	2015
	US$	US$
		(Restated)
Reimbursement of expenses paid by related corporation on behalf of the Company.	-	8,974

Balances with related parties at the balance sheet date are set out in Note 6

13. Immediate and ultimate holding corporation

The Company's immediate holding corporation is Thermax Limited, incorporated in India. The ultimate holding corporation is ARA Trusteeship Company Private Limited (holding shares in Trust), incorporated in India.

14. New or revised accounting standards and interpretations

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 April 2016. The Company does not expect that the adoption of these accounting standards or interpretations will have a material impact on the Company's financial statements.

15. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Thermax Engineering Singapore on 11 May 2016.

Board of Commissioner

Amitabha Mukhopadhyay
Commissioner

Board of Directors

Jawahar Harinarayanan
President Director

Hemant Mohgaonkar
Director

Registered Office

Menara Palma 9th Floor Unit 9-02B/03,
Jl. H.R. Rasuna Said Blok.
X Kav. 6,
South Jakarta 12950.

Auditors

KAP Tanudiredja, Wibisana, Rintis & Rekan

Plaza 89, Jl H.R. Rasuna Said Kav. X-7 No.6

Jakarta 12940- Indonesia.

Bankers

Citi Bank,NA.

PT-Bank Mandiri (Persero) Tbk

DIRECTORS' STATEMENT REGARDING RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

In accordance with a resolution of the directors of PT Thermax International Indonesia (the "Company"), in the opinion of the directors:

(a) We are responsible for the preparation and presentation of the financial statements of the Company;

(b) The financial statements of the Company have been prepared and presented in accordance with Indonesian Financial Accounting Standards;

(c) (i) All information in the financial statements of the Company has been disclosed in a complete and truthful manner;

(ii) The financial statements of the Company do not contain any incorrect information of material fact, nor does it omit information or material fact

(d) We are responsible for the Company's internal control system.

Thus this statement is made truthfully.

For and on behalf of the directors:

President Director : Jawahar Harinarayanan

Director : Hemant Mohgaonkar

JAKARTA

19 May 2016

Independent Auditor's Report

TO THE SHAREHOLDERS OF PT THERMAX INTERNATIONAL INDONESIA

We have audited the accompanying financial statements of PT Thermax International Indonesia, which comprise the statement of financial position as at 31 March 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesian Financial Accounting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditor's judgment, 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity'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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PT Thermax International Indonesia as at 31 March 2016, and its financial performance and its cash flows for the year then ended in accordance with Indonesian Financial Accounting Standards.

JAKARTA

19 May 2016

Yanto, S.E., Ak., M.Ak., CPA

License of Public Accountant No. AP. 0241

PT THERMAX INTERNATIONAL INDONESIA

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Notes	2016 Rp'000	2016 Rs Lakhs	2015 Rp'000	2015 Rs Lakhs
CURRENT ASSETS					
Cash and cash equivalents	3	5,265,262	263.26	9,481,594	455.12
Advances and prepayments		1,550,829	77.54	118	0.00
Other receivables		-	-	500,000	24.00
Total current assets		**6,816,091**	**340.80**	**9,981,712**	**479.12**
NON-CURRENT ASSETS					
Prepaid tax	7a	7,672,491	383.62	-	-
Advances and prepayments		191,316	9.57	-	-
Intangible asset	17	15,585	0.78	-	-
Fixed assets	4	84,163,702	4,208.19	-	-
Total non-current assets		**92,043,094**	**4,602.16**	**-**	**-**
TOTAL ASSETS		**98,859,185**	**4,942.96**	**9,981,712**	**479.12**
CURRENT LIABILITIES					
Trade payables	5	1,491,933	74.60	122,605	5.89
Other taxes payable	7b	338,146	16.90	37,625	1.80
Accrued expenses and other payables	6	1,787,535	89.38	95,939	4.60
Other current liabilities		420,553	21.03	-	-
Total current liabilities		**4,038,167**	**201.91**	**256,169**	**12.29**
NON-CURRENT LIABILITIES					
Long term employee benefit liabilities		464,689	23.23	-	-
Total non-current liabilities		464,689	23.23	-	-
TOTAL LIABILITIES		**4,502,856**	**225.14**	**256,169**	**12.29**
EQUITY					
Share capital					
Authorised: 20,000 shares with par value of Rp1,000,000					
Issued and fully paid up-10,000 shares, with par value of					
Rp 1,000,000 per share	8	10,000,000	500.00	10,000,000	480.00
Advances for shares subscription	9	96,220,000	4,811.00	-	-
Accumulated losses		(11,863,671)	(593.18)	(274,457)	(13.17)
Total equity		**94,356,329**	**4,717.82**	**9,725,543**	**466.83**
TOTAL LIABILITIES AND EQUITY		**98,859,185**	**4,942.96**	**9,981,712**	**479.12**

Exchange Rate: as at 31 March 2016 is 1 IDR = INR 0.0050
Exchange Rate: as at 31 March 2015 is 1 IDR = INR 0.0048

STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 Rp'000	2016 Rs Lakhs	2015 Rp'000	2015 Rs Lakhs
General and administrative expenses	11	(9,701,002)	(485.05)	(409,221)	(19.64)
Foreign exchange (loss)/gain		(1,888,212)	(94.41)	134,764	6.47
Loss before income tax		**(11,589,214)**	**(579.46)**	**(274,457)**	**(13.17)**
Income tax expense	7c	-	-	-	-
Loss for the year/period		**(11,589,214)**	**(579.46)**	**(274,457)**	**(13.17)**
Other comprehensive income		**-**	**-**	**-**	**-**
Total comprehensive loss for the year/period		**(11,589,214)**	**(579.46)**	**(274,457)**	**(13.17)**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

		Share capital		Advance for Share Subscription		Accumulated Losses		Total	
	Note	Rp'000	Rs Lakhs	Rp'000	Rs Lakhs	Rp'000	Rs Lakhs	Rp'000	Rs Lakhs
Balance as at 22 October 2014		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital contributed by shareholders	8	10,000,000	500.00	-	-	-	-	10,000,000	500.00
Total comprehensive loss		-	-	-	-	(274,457)	(13.72)	(274,457)	(13.72)
Balance as at 31 March 2015		**10,000,000**	**500.00**	**-**	**-**	**(274,457)**	**(13.72)**	**9,725,543**	**486.28**
Advances for shares subscription	9	-	-	96,220,000	4,811.00	-	-	96,220,000	4,811.00
Total comprehensive loss		-	-	-	-	(11,589,214)	(579.46)	(11,589,214)	(579.46)
Balance as at 31 March 2016		**10,000,000**	**500.00**	**96,220,000**	**4,811.00**	**(11,863,671)**	**(593.18)**	**94,356,329**	**4,717.82**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	2016		2015	
	Rp'000	Rs Lakhs	Rp'000	Rs Lakhs
Cash flows from operating activities				
Loss before income tax expense	(11,589,214)	(579.46)	(274,457)	(13.17)
Adjustments for:				
Depreciation of fixed assets	33,205	1.66	-	-
Amortisation of intangible assets	915	0.05	-	-
Employee benefit liabilities	464,689	23.23	-	-
Unrealised foreign exchange loss/(gain)	756,407	37.82	(47,175)	(2.26)
Operating cash flows before changes in working capital	**(10,333,998)**	**(516.70)**	**(321,632)**	**(15.44)**
Changes in working capital:				
Prepaid tax	(7,672,491)	(383.62)	-	-
Advances and prepayments	(1,742,027)	(87.10)	(118)	(0.01)
Trade payables	1,053,835	52.69	122,605	5.89
Accrued expenses and other payables	323,191	16.16	95,939	4.61
Other current liabilities	420,553	21.03	-	-
Other taxes payable	24,792	1.24	37,625	1.81
Net cash flows used in operating activities	**(17,926,145)**	**(896.31)**	**(65,581)**	**(3.15)**
Cash flows from investing activities				
Acquisition of fixed assets	(82,237,280)	(4,111.86)	-	-
Acquisition of intangible asset	(16,500)	(0.83)	-	-
Net cash flows from investing activities	**(82,253,780)**	**(4,112.69)**	**-**	**-**
Cash flows from financing activities				
Proceeds from shares issuance	500,000	25.00	9,500,000	456.00
Proceeds from shareholder's loan	95,399,150	4,769.96	-	-
Net cash flows provided from financing activities	**95,899,150**	**4,794.96**	**9,500,000**	**456.00**
Net (decrease)/increase in cash and cash equivalents	**(4,280,775)**	**(214.04)**	**9,434,419**	**452.85**
Cash and cash equivalents at the beginning of the period	9,481,594	474.08	-	-
Foreign exchange gain on cash and cash equivalents	64,443	3.22	47,175	2.26
Cash and cash equivalents at the end of the period	**5,265,262**	**263.26**	**9,481,594**	**455.12**

Notes to The Financial Statements
(Expressed in thousands of Rupiah, unless otherwise stated)

1. GENERAL

PT Thermax International Indonesia (the "Company") was established on 22 October 2014 based on Notarial Deed No. 12 dated 1 October 2014 of Jimmy Tanal, S.H.,M.Kn.,Notary in Jakarta. The Notarial Deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia through Decision Letter No. AHU-30730.40.10.2014 dated 22 October 2014.

The Company's Articles of Association have been amended from time to time. The most recent amendment was based on Notarial Deed No. 91 dated 23 March 2016 of Hasbullah Abdul Rasyid, S.H., M.Kn., Notary in Jakarta, concerning the increase on the authorised, issued and paid-up capital also the conversion of shareholder loan to advance for share subscription (refer to Note 9). The Company had lodged application with Capital Investment Coordinating Board ("BKPM") seeking approval in this regard on 17 March 2016, acknowledged vide letter number-IP 166503 dated 17 March 2016. As at 31 March 2016, approval from Ministry of Law and Human Rights of the Republic of Indonesia ("MOLHR") and BKPM was awaited which is accorded in April 2016 by both authorities (refer to Note 18).

In accordance with article 3 of the Company's Articles of Association, the main activity of the Company is manufacturing of industrial products such as steam boilers, heaters, absorption chillers, etc and its spare parts. The Company is in the process of setting up of a manufacturing facility at Krakatau Industrial Estate Cilegon, Banten. Land has been acquired during the year and construction work is under progress. Hence, the Company has not yet commenced its commercial production.

The Company's office is located in Menara Palma 9th Floor Unit 9-02B/03, Jl. H.R. Rasuna Said Blok. X Kav. 6, South Jakarta 12950.

As at 31 March 2016 and 2015, the Company's Commissioner and Board of Directors were as follows:

Commissioner	:	Mr. Amitabha Mukhopadhyay
President Director	:	Mr. Jawahar Harinarayanan
Director	:	Mr.Hemant Mohagaonkar

The Company's parent entity is Thermax Engineering Singapore Pte. Ltd., a company incorporated in Singapore. The Company's ultimate holding company is ARA Trusteeship Company Private Limited (holding shares in Trust), a Company incorporated in India.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods mentioned unless otherwise stated.

a. Basis of preparation of the financial statements

The Company's financial statements have been prepared in accordance with Indonesian Financial Accounting Standards.

The financial statements have been prepared under the historical cost convention and using the accrual basis, except for the statement of cash flows.

Figures in the financial statements are rounded to and stated in thousands of Rupiah ("Rp"), unless otherwise stated.

As at 31 March 2016, despite the Company has accumulated losses of Rp 11,589,214 (2015: Rp 274,457), the Company has positive net working capital of Rp 2,777,924 (2015: Rp 9,725,543). The Company is in the process of constructing a manufacturing plant in Cilegon, Banten, Indonesia; as such, management believes there is no significant doubt on the Company's ability to continue as a going concern and the use of going concern assumption in preparing these financial statements is appropriate.

The preparation of financial statements in conformity with Indonesian Financial Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment when applying the Company's accounting policies. For the preparation of financial statements for the year ended 31 March 2016, there is no area involving a higher degree of judgment or complexity, or area where assumptions and estimates are significant to the financial statements.

Changes to the Statements of Financial Accounting Standards ("SFAS") and Interpretations of Statements of Financial Accounting Standards ("ISFAS")

On 1 January 2015, the Company adopted new and revised SFAS and ISFAS that are mandatory to be applied from that date. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the representative standards and interpretations.

The adoption of these new or revised standards and interpretations which are relevant to the Company's operation but did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported in the financial statements are as follow:

- SFAS 1 (revised 2013) "Presentation of Financial Statements"
- SFAS 4 (revised 2013) "Separate Financial Statements"
- SFAS 15 (revised 2013) "Investment in Associates and Joint Ventures"
- SFAS 24 (revised 2013) "Employee Benefits"
- SFAS 46 (revised 2014) "Income Taxes"
- SFAS 48 (revised 2014) "Impairment of Assets"
- SFAS 50 (revised 2014) "Financial Instruments: Presentation"
- SFAS 55 (revised 2014) "Financial Instruments: Recognition and Measurement"
- SFAS 60 (revised 2014) "Financial Instruments: Disclosures"
- SFAS 65 (revised 2014) "Consolidated Financial Statements"
- SFAS 66 (revised 2014) "Joint Arrangements"
- SFAS 67 (revised 2014) "Disclosures of Interest in Other Entities"
- SFAS 68 (revised 2014) "Fair Value Measurement"
- ISFAS 26 (revised 2014) "Reassessment of Embedded Derivatives"
- ISFAS 15 (revised 2015) "The Limit of a Defined Benefit Asset"

As at the authorisation date of the financial statements, the Company is still assessing the impact of the following new SFAS and ISFAS which are effective on 1 January 2016 on the Company's financial statements:

- SFAS 1 (revised 2015) "Presentation of Financial Statements"
- SFAS 4 (revised 2015) "Separate Financial Statements"
- SFAS 15 (revised 2015) "Investment in Associates and Joint Ventures"
- SFAS 16 (revised 2015) "Fixed Assets"
- SFAS 19 (revised 2015) "Intangible Assets"
- SFAS 24 (revised 2015) "Employee Benefits"
- SFAS 65 (revised 2015) "Consolidated Financial Statements"
- SFAS 66 (revised 2015) "Joint Arrangements"
- SFAS 67 (revised 2015) "Disclosure of Interests in Other Entities"
- SFAS 69 (revised 2015) "Agriculture"
- ISFAS 30 "Levies"
- ISFAS 31 "Interpretation of Scope SFAS 13: Investment Property"

b. Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The financial statements are presented in Rupiah, which is the functional and presentation currency of the Company.

ii) Transactions and balances

Transactions denominated in foreign currencies are translated into Rupiah at the exchange rate prevailing at the date of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into Rupiah at the exchange rate prevailing at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The exchange rate used to translate US Dollar ("US$") as at 31 March 2016 was Rp 13,276 to 1 US Dollar (2015: Rp 13,084 to 1 US Dollar).

Notes to The Financial Statements

c. Financial assets

(i) Classification

The Company classifies its financial assets into the following categories: (i) fair value through profit or loss, (ii) held to maturities investment, (iii) loans and receivables and (iv) available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

As at 31 March 2016 and 2015, the Company had only financial assets classified as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period.These are classified as non-current assets. The Company's loans and receivables comprise "cash and cash equivalents" and "other receivables" in the statement of financial position.

(ii) Recognition and measurement

Loans and receivables are initially recognised at fair value including directly attributable transaction costs and subsequently carried at amortised cost using the effective interest method. Financial assets are derecognised when the rights to receive cash flows from the investment have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(iv) Impairment of financial assets

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indication that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest of principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measureable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as: an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

d. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and cash in banks that are not used as collateral or are not restricted.

The statement of cash flows have been prepared using the indirect method by classifying cash flows on the basis of operating, investing and financing activities.

e. Other receivables

Other receivables are amounts arising from transactions outside the ordinary course of business. If collection of the receivables is expected in one year or less, they are classified under current assets. If not, they are presented as non-current assets.

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, if the impact of discounting is significant, less any provision for impairment.

f. Intangible asset

Intangible asset consist of software acquired by the Company. Acquired software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of four years.

g. Fixed assets

Initial legal costs incurred to obtain land rights are recognised as part of the acquisition cost of the land, and these costs are not depreciated. The costs related to renewal of land rights are recognised as intangible assets and amortised during the period of the land rights.

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that is directly attributable to the acquisition of the assets.

Land is not depreciated. Depreciation of other fixed assets is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

	Year
Computers	4
Office equipments	4
Furnitures and fixtures	4

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amounts of replaced parts are derecognised. All other repairs and maintenances are charged to profit or loss during the financial period in which they are incurred.

The assets' residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying value is greater than its estimated recoverable amount.

Net gains or losses on disposals of fixed assets are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

The accumulated costs of the construction of buildings or factories and the installation of machinery are capitalised as construction in progress. These costs are reclassified to fixed assets when the construction or installation is complete. Depreciation is charged from the date the assets are ready for use in the manner intended by management.

Interst and other borrowing costs, either directly or indirectly used in financing the construction of a qualifying asset, are capitalised up to the date when construction is complete. For borrowing costs that are directly attributable to a qualifying asset, the amount to be capitalised is determined as the actual borrowing cost incurred during the period, less any income earned on the temporary investment of such borrowings. For borrowings that are not directly attributable to a qualifying asset, the amount to be capitalised is determined by applying a capitalisation rate to the amount spent on the qualifying assets. The capitalisation rate is the weighted average of the total borrowing costs applicable to the total borrowings outstanding during the period, other than borrowings made specifically for obtaining a qualifying asset.

h. Leases

The determination of whether an arrangement is, or contains, a lease is made based on the substance of the arrangement and assessment of whether fulfilment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the term of the lease.

Leases of fixed assets where the Company as lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the commencement of the lease at the lower of the fair value of the leased fixed assets and the present value of the minimum lease payments.

Each lease payment is allocated between the liability portion and the finance charge so as to achieves a constant rate on the finance balance outstanding.The corresponding rental obligations, net of finance charges, are included in other long-term liabilities, except for those with maturities of 12 months or less which are included in current liabilities. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. Fixed assets acquired under finance leases are depreciated similarly to owned assets. If there is no reasonable certainty that the Company will hold the ownership by the end of the lease term, the asset is depreciated over the shorter of the useful life of the asset and the lease term.

i. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method.

j. Borrowings

Borrowings are recognised initially at fair value, net of transaction cost incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale (refer to Note 2f). Other borrowing costs are expensed in profit or loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

k. Expense recognition

Expenses are recognised as incurred on an accrual basis.

l. Current and deferred income tax

The income tax expense comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is calculated on the basis of the tax laws enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Where appropriate, it establishes provision based on the amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the balance sheet liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates pursuant to laws or regulations that have been enacted or substantially enacted at the reporting date and which are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Tax losses carry forward are recognised as a deferred tax asset when it is probable that there will be future taxable profit available against which the unused tax losses can be utilised.

Other deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

m. Provisions

Provision for restructuring costs, legal claims, and environmental issues is recognised when:

- the Company has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount can be reliably estimated

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Although the likelihood of an outflow for any one item may be small, it may well be probable that some outflow of resources will be needed to settle the class of obligations as a whole. If that is the case, a provision is recognised.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Increase in the provision due to the passage of time is recognised as a finance cost.

n. Share capital

Ordinary shares are classified as equity.

3. CASH AND CASH EQUIVALENTS

	2016	2015
Cash on hand	4,021	-
Cash in banks	5,261,241	9,481,594
	5,265,262	9,481,594

4. FIXED ASSETS

	31 March 2016				
	1 April 2015	**Additions**	**Disposals**	**Transfers**	**31March 2016**
Acquisition cost					
Land	-	81,247,182	-	-	81,247,182
Computers	-	162,964	-	-	162,964
Office equipments	-	40,069	-	-	40,069
Furnitures and fixtures	-	589,982	-	-	589,982
Construction in progress	-	2,156,710	-	-	2,156,710
	-	**84,196,907**	**-**	**-**	**84,196,907**
Accumulated depreciation					
Computers	-	(29,748)	-	-	(29,748)
Office equipments	-	(3,053)	-	-	(3,053)
Furnitures and Fixtures	-	(404)	-	-	(404)
	-	**(33,205)**	**-**	**-**	**(33,205)**
Net book value	**-**	**84,163,702**	**-**	**-**	**84,163,702**

Depreciation expense amounted to Rp 33,205 was charged to general and administrative expenses (Note 11) for the year ended 31 March 2016.

The Company own a plot of land with "Hak Guna Bangunan" titles ("Building Use Titles" or "HGB") which has remaining useful life up to 2046. Management believes that there will be no difficulty in extending the land right as the land was acquired legally and this is supported by sufficient evidence of ownership.

During the year ended 31 March 2016, the Company capitalised borrowing cost amounted to Rp 1,378,642 (2015: Rp nil). Borrowing costs were capitalised at the weighted average rate of its specific borrowings of 2.25% (2015: nil).

Notes to The Financial Statements

5. TRADE PAYABLES

	2016	2015
Third parties	542,675	122,605
Related party:		
- Thermax Limited	949,258	-
	1,491,933	**122,605**

Refer to Note 12 for details of related party transactions.

6. ACCRUED EXPENSES AND OTHER PAYABLES

	2016	2015
Interest	1,104,578	-
Office renovation	265,492	-
Professional fee	129,441	45,794
Operational	131,505	-
Others	156,519	50,145
	1,787,535	**95,939**

Refer to Note 12 for details of related party transactions.

7. TAXATION

a. Prepaid tax

	2016	2015
Value Added Tax	7,672,491	-

b. Other taxes payable

	2016	2015
Income tax article 26	275,729	-
Income tax article 21	38,955	25,508
Income tax article 4(2)	11,732	9,843
Income tax article 23	11,730	2,274
	338,146	**37,625**

c. Income tax expense

For the year/period ended 31 March 2016 and 2015, the Company did not have any current and deferred income tax expenses.

The reconciliation between income tax expense and the theoretical tax amount on the Company's loss before income tax is as follows:

	2016	2015
Loss before income tax	(11,589,214)	(274,457)
Income tax calculated at applicable tax rate	2,897,304	68,614
Tax effects:		
- Non-deductible expenses	(388,776)	(1,570)
- Unrecognised deferred tax assets	(2,508,528)	(67,044)
Income tax expense	-	-

The Company have accumulated tax losses carried forward balance amounted to Rp 9,837,596 which will be expired in 2020 and 2021.

The amount of fiscal loss are based on preliminary calculations. The amounts may be adjusted when Annual Tax Returns are assessed by the tax office.

d. Deferred tax assets

The Company has not recognised any deferred tax assets from fiscal losses as the ability of the Company to generate sufficient taxable profit will depend on when the Company commence it commercial operation. As such, the Company believes it is more prudent not to recognise any deferred tax assets until the commencement of its commercial operations, which expected in third quarter of financial year 2016-2017.

e. Tax administration in Indonesia

The taxation laws of Indonesia require that companies within Indonesia to submit individual tax returns on the basis of self assessment. Under the prevailing regulations, the Director General of Tax ("DGT") may assess or amend taxes within five years of the time the tax becomes due.

8. SHARE CAPITAL

The shareholders compositions as at 31 March 2016 and 2015 were as follows:

Shareholders	2016 Number of shares	Amount (Rp)	Percentage of ownership
Thermax Engineering Singapore Pte.Ltd.	9,990	9,990,000	99.90%
Thermax International Limited	10	10,000	0.10%
	10,000	10,000,000	100.00%

Shareholders	2015 Number of shares	Amount (Rp)	Percentage of ownership
Thermax Engineering Singapore Pte.Ltd.	9,500	9,500,000	95.00%
Triano Andreas Ridjab	500	500,000	5.00%
	10,000	10,000,000	100.00%

Based on Shareholders' Resolution through Notarial Deed No. 147 dated 20 April 2015 of Jimmy Tanal S.H., M.Kn., the shareholders approved the transfer of shares from Mr. Triano Andreas Ridjab to Thermax Engineering Singapore Pte. Ltd. and Thermax International Limited, a company incorporated in Mauritius. The Notarial Deed has been approved by Ministry of Law and Human Rights of Republic of Indonesia through Decision Letter No. AHU-AH.01.03-0932159 dated 15 May 2015.

9. ADVANCES FOR SHARES SUBSCRIPTION

During financial year 2015-2016, the Company has received loan amounting to US$ 7,075,000 (equivalent to Rp 95,399,150) from Thermax Engineering Singapore Pte. Ltd., the shareholder of the Company, as a funding for land acquisitions located in Cilegon, Banten, Indonesia.

On 3 March 2016, based on Shareholders' Circular Resolution in Lieu of an Extraordinary General Meeting of Shareholders, shareholders agreed to convert the loan from shareholder of Rp 96,220,000 into 96,220 shares.

As at 31 March 2016, the Company was awaiting the approval from Ministry of Law and Human Rights of the Republic of Indonesia and Capital Investment Coordinating Board. Therefore, the balance of converted loan is presented as "advances for shares subscription" in the statement of financial position.

Refer to Note 18 for events after the reporting period.

10. GENERAL RESERVE

Limited Liability Company Law No.40/2007 requires Indonesian companies to set up a statutory reserve amounting to a minimum of 20% of the Company's issued and paid-up share capital. There is no set period of time over which this amount should be accumulated. As at 31 March 2016, the Company had not yet established a general reserve as the Company is still in accumulated losses position.

11. GENERAL AND ADMINISTRATIVE EXPENSES

	2016	2015
Employee benefits	5,594,519	164,953
Traveling and conveyance	1,816,284	33,018
Legal and professional charges	1,111,217	112,889
Rent and service charges	214,404	10,827
Advertising and exhibition	171,876	-
Communication	118,118	2,414
Others	674,584	85,120
	9,701,002	**409,221**

Refer to Note 12 for details of related party transactions.

12. RELATED PARTY TRANSACTIONS

The nature of relationships and transactions with related parties are as follows:

Related parties	Relationship	Nature of transactions
Thermax Limited	Holding company of Thermax Engineering Singapore Pte.Ltd.	Reimbursement of expenses
Thermax Engineering Singapore Pte.Ltd.	Shareholder of the Company	Loan and Interest on loan, Advance for share subscription

a. Balances with related parties

	2016	2015
Accrued expense and other payables:		
Thermax Engineering Singapore Pte.Ltd.	1,104,578	-

b. Transactions with related parties

	2016	2015
Expense reimbursement:		
Thermax Limited	949,258	-

The expenses being reimbursed are based on actual costs occurred.

	2016	2015
Finance costs (included with capitalised interest in fixed assets):		
Thermax Engineering Singapore Pte.Ltd.	1,378,642	-

Finance costs charged by a related party is based on contracted rate.

c. Key management compensation

Key management includes Directors and Commissioner. In 2016, the compensation for key management recorded in financial statement's amounted to Rp 1,227,250 (2015: Rp 139,445) only for the President Director of the Company. The compensation for the Company's Commissioner and other Director was paid directly by the Thermax Limited.

13. SIGNIFICANT CONTRACTS, COMMITMENTS AND CONTIGENCIES

Capital commitments

On 31 March 2016, the Company has entered into several contracts with third parties to provide construction service of the factory and supply of machinery and equipments in Cilegon, Banten, Indonesia with total contract value Rp 16,640,205 until September 2016.

14. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

As at 31 March 2016, the Company's financial assets which comprise cash and cash equivalents and other receivables with a total balance of Rp 5,265,262 (2015:

Rp 9,981,594), are categorised as loans and receivables.

As at 31 March 2016, the Company's financial liabilities which comprise trade payables andaccrued expenses and other payables with a total balance of Rp 3,279,468 (2015: Rp 218,544) are categorised as other financial liabilities at amortised cost.

15. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's Board of Directors. The Board of Directors provides principles for overall risk management, including market, credit and liquidity risks.

a. Market risk

i) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from cash in banks denominated in foreign currency.

As at 31 March 2016, if the United States Dollar had weakened/ strengthened by 10% against the Indonesian Rupiah with all other variables held constant, post-tax loss for the period would have been Rp 334,193 (2015: Rp 933,683) lower/higher.

ii) Interest rate risk

The Company is not significantly exposed to interest rate risk since there are no significant interest bearing financial assets and liabilities. The Company's operating cash flows are substantially independent of changes in market interest rates.

b. Credit risk

As at 31 March 2016, the total maximum exposure from credit risk is Rp 5,261,241 (2015: Rp 9,981,594). The credit risk primarily arises from cash in banks and due from shareholder. Management is confident in its ability to continue to control and sustain minimal exposure of credit risk because the Company is placing its cash with highly reputable banks and the receivable is due from shareholder. The due from shareholder balance was fully paid in 2016.

c. Liquidity risk

Liquidity risk arises in situations in which the Company has difficulties obtaining the necessary resources to fulfill its financial obligations.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

All of the Company's financial liabilities contractual maturities are within one year and without any interest bearing.

d. Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may, issue new shares.

The Company's policy is to maintain a commercially sound financial position with the aim of maximising the net cash return to the shareholder whilst ensuring a level of capitalisation that is commercially defensible. There were no changes in the Company's approach to capital management during the year.

e. Fair value of financial instruments

Management is of the opinion that the carrying value of its financial assets and liabilities approximate the fair value of the financial assets and liabilities as at 31 March 2016. The fair value of trade payables and accrued expenses and other payables approximate their carrying value because of their short term period.

16. NON CASH TRANSACTIONS

	2016	2015
Investing activities:		
Acquisition of fixed assets through payables	315,493	-
Acquisition of fixed assets through accrued expenses and other taxes payables	1,644,134	-
Financing activities:		
Share issuance through other receivables	-	500,000

17. INTANGIBLE ASSET

	31 March 2016				
	Beginning balance	Additions	Disposals	Transfers	Ending balance
Acquisition cost					
Software	-	16,500	-	-	16,500
Accumulated depreciation					
Software	-	(915)	-	-	(915)
Net book value	-	15,585	-	-	**15,585**

18. EVENTS AFTER THE REPORTING PERIOD

The Company has obtained approval on Notarial Deed No. 91 dated

23 March 2016 from Capital Investment Coordinating Board through letter No. 1141/1/IP-PB/PMA/2016 dated 4 April 2016 and also from Ministry of Law and Human Rights of the Republic of Indonesia through letter No. AHU-0007727. AH.01.02.TAHUN 2016 dated 22 April 2016.

Upon receiving those approvals, the authorised capital becomes 135,000 shares with paid-up capital becomes 135,000 shares, and the shareholders composition becomes as follow:

Shareholders	Number of shares	Amount (Rp)	Percentage of ownership
Thermax Engineering Singapore Pte.Ltd.	134,990	134,990,000	99.993%
Thermax International Limited	10	10,000	0.007%
	135,000	135,000,000	100.00%

19. MANAGEMENTS RESPONSIBILITY AND APPROVAL OF FINANCIAL STATEMENTS

The Company's financial statements were authorised by the Board of Directors on 19 May 2016.

THERMAX SENEGAL SARL

Manager	***Registered Office***	***Auditors***
Umesh Barde Bhavesh Chheda	Dakar Domicilia, 29 Avenue Pasteur, Senegal	KPMG Senegal S. A. Avec Conseild Administration Immeuble Horizons 83, Boulevard de la Republique, Dakar - Senegal

Management Report prepared by the Manager and presented to the Annual Ordinary General Meeting of April, 20 2016

Gentleman,

According to the law and the statutes, we have convened this Annual Ordinary General Meeting to report to you on the situation and activity of our Company during the year ended 31st December 2015 and to submit for your approval the annual financial statements for the year.

We will give you all the details and additional information about the parts and documents required by the regulations in force and which have been made available to you within the legal timeframe.

You will then read the reports of the Auditor.

I- COMPANY'S ACTIVITIES DURING THE YEAR 2015

During the year ended 31/12/2015, the main events that have marked our activity are as follows:

The principal activities of the company are that of plant management services.

This year was a first year of Company operations & it earned a total income of XOF 1 510 906 559.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the result of the Company for the current financial year.

II- MEASURE BEING IMPLEMENTED IN YEAR 2016

For the fiscal year 2016, the demand for plant management services are appeared to be stable in FY 2016 & Companies performance is also expected to be stable in FY 2016.

REVIEW OF THE STATEMENTS OF INCOME AND ALLOCATION PROPOSAL

The main aggregates for the year ended December 31st, 2015 are as follows in of XOF:

Elements	**31/12/2015**
Turnover	1 510 906 559
Personnel Expenses	858 811 310
Operating charges	1 039 990 450
Operating income	482 169 129
Net profit	273 420 230

We propose to allocate the profit as follow :

- Net profit:	273 420 230
- Legal reserve:	22 000 000
- Dividends to be distributed:	165 000 000

Following this allocation, the company's equity will be as follows:

- Share capital:	110 000 000
- Legal reserve:	22 000 000
- Retained earning:	86 420 230
- Total:	**218 420 230**

The manager

Mr. Umesh Barde

Mr. Bhavesh Chheda

Auditor's Report

THERMAX SENEGAL SARL
Dakar - Senegal
Share capital: XOF 110 000 000

Subject: Independent Auditor's Report of Thermax Senegal SARL for local financial statements as of December 31st 2015

We have audited the financial Statements of Thermax Senegal SARL as of December 31st 2015.

The Financial Statements comprise a balance sheet, a profit and loss account and appendices to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of financial statements in accordance with the SYSCOA. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. This special purpose financial information has solely been prepared to obtain reasonable assurance about whether the financial statements are free of material misstatements.

Auditor's Responsibility

Our responsibility is to express an opinion on financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. International Standards on Auditing require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial information, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of Financial Statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, 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 audit opinion. The conclusions reached in forming our opinion are based on the materiality level that we have computed.

Opinion

In our opinion, the local financial statements are free of material misstatements, in all material respects, in accordance with the SYSCOA, which is applicable in Senegal.

COMMENTS ON THE FINANCIAL STATEMENTS

A- BALANCE SHEET

The balance sheet as of 31st December, 2015 is detailed below (in XOF):

Description	**Balance As of December, 31st 2015**	**Ref**
Tangible Assets	40 142 860	a
Financial Assets	574 500	
Receivables	343 473 155	b
Other receivables	82 128 243	c
Cash and cash equivalents	522403 914	d
TOTAL	**988 722 672**	
Share capital	110 000 000	
Net income	273 420 230	
Liabilities	59 892 461	e
Fiscal liabilities	343 439 511	f
Social liabilities	145 752 754	g
Other liabilities	**56 217 716**	h
TOTAL	**988 722 672**	

a) Tangible assets

Tangible assets consist to a building for Thermax Senegal staff amounted XOF 41 744 000 in gross value. During the audited period, the amount of amortization is XOF 1 601 140.

b) Receivables

The balance of receivables as of December 31st 2015 is XOF 343 473 155. Thermax Senegal SARL has a maintenance contract for a power station.

c) Other receivables

Other receivables consist principally:

- VAT for XOF 69 867 623. It's the vat on sales regarding exempted sales. Refund of was requested but there is no response from Tax office.
- A vat credit for an amount of XOF 9 704 730.
- Vat on invoices not received for an amount of XOF 2 395 881.

d) Cash and cash equivalents

This caption consists in:

- Bank which is debtor of XOF 521 404 960.
- Petty cash, debtor of XOF 998 954.

e) Liabilities

The balance of this caption as of December 31st 2015 is XOF 59 892 461.

This balance is mainly explained by:

- Trade liabilities for XOF 29 335 426.
- Accrued expenses for XOF 30 557 035. It concerns expenses for which bills were not received.

f) Fiscal liabilities

The balance of fiscal liabilities amounted XOF 343 439 511 consist essentially to:

- Income Tax: XOF 176 226 600
- Payroll deductions: XOF 157 744 226. Payroll are related to the period from January 2015 to December 2015. They were paid on January 2016.

g) Social liabilities

Social liabilities amounted XOF 145 752 754. They are composed by:

- A Provision for holiday for an amount of: XOF 81 632 419.
- Social contributions (IPRES, CSS) from January 2015 to December 2015 amounted XOF 39 881 848. Due to this delay, Thermax has penalties accrued for XOF 573 300.

Salaries for XOF 22 480 215: It is related to unpaid allowances.

h) Other liabilities

Other liabilities amounted XOF 56 217 716 as of December 31st 2015. The balance is explained by the balance of Thermax India. This concerns salaries paid to Thermax Senegal staff by Thermax India and re bill to Thermax Senegal. The exploitation of confirmation letter received from Thermax Ltd did not reveal significant gap.

B- PROFIT AND LOSS ACCOUNT

The income statement as of December 31st 2015 is detailed below, in XOF:

Description	**Balance As of December, 31st 2015**	**Ref**
Other purchases	34 414 446	
Transport	1 703 800	
External services	116 945 908	1
Taxes	26 508 548	
Other expenses	5 298	
Salaries	858 811 310	2
Amortization	1 601 140	
Exchange loss	34 I85 2I9	
Income Tax	176 226 600	
TOTAL	**1 250 402 269**	
Turnover	1 510 906 559	3
Other products	11 253 020	
Gain exchange	1 662 920	
TOTAL	**1 523 822 499**	
INCOME	**273 420 230**	

1- External Services

The balance of this caption as of December 31st 20I5 is XOF 116 945 908. It's mainly composed by:

- Rent: XOF 2 800 000
- Vehicle rental: XOF 12 307 373
- Fees: XOF 49 840 199.
- Mission expenses: XOF 42 917 154.

2 – Salaries

The balance of this caption as of December 31st 2015 is XOF 858 811 310 and is composed by:

- Payroll charges paid by Thermax India to Thermax Senegal's staff for XOF 508 993 532.
- Provision for holiday: XOF 81 632 419.
- Interim staff for an amount of XOF 227 557 032.

3 – Turnover

The turnover of Thermax Senegal SARL as of December 31st 2015 amounted XOF 1 510 906 559. The turnover consists to the maintenance of a power station.

Dakar, March 31, 2016

KPMG Senegal

Marie BA

Partner

Balance Sheet as at 31st December 2015

	2014/2015	
ASSETS	XOF	Rs. In Lacs
FIXED ASSETS		
Tangible assets		
Buildings - Gross	41,744,000	47.97
Less: Amortisation / Provision	(1,601,140)	(1.84)
Buildings - Net	40,142,860	46.13
Financial assets		
Other financial assets	574,500	0.66
TOTAL FIXED ASSETS (I)	**40,717,360**	**46.79**
CIRCULATING ASSETS		
Trade debtors and related accounts		
Clients	343,473,155	394.70
Other receivables	82,128,243	94.38
TOTAL CIRCULANTING ASSETS (II)	**425,601,398**	**489.08**
CASH - CASH EQUIVALENT-ASSETS		
Banks, postal accounts, cash	522,403,914	600.32
TOTAL CASH AND CASH EQUIVALENTS ASSETS (III)	**522,403,914**	**600.32**
Translation adjustment-Assets (IV)		
(foreign exchange difference)		
TOTAL (I + II + III + IV)	**988,722,672**	**1,136.20**
LIABILITIES (before apportionment)	XOF	Rs. In Lacs
SHAREHOLDERS' EQUITY AND RELATED EQUITIES		
Capital	110,000,000	126.41
Net income or loss for the financial year	273,420,230	314.20
TOTAL EQUITY (I)	**383,420,230**	**440.61**
FINANCIAL AND RELATED DEBTS		
TOTAL FINANCIAL DEBTS (II)		
TOTAL EQUITY AND DEBTS (I + II)	**383,420,230**	**440.61**
CIRCULATING LIABILITIES		
Suppliers	59,892,461	68.83
Tax liabilities	343,439,511	394.67
Social liabilities	145,752,754	167.49
Other liabilities (Intercompany and others)	56,217,716	64.60
TOTAL CIRCULATING LIABILITIES (III)	**605,302,442**	**695.59**
CASH AND CASH EQUIVALENTS-LIABILITIES		
TOTAL CASH AND CASH EQUIVALENTS-LIABILITIES (IV)		
Translation adjustment Liabilities (V)		
TOTAL (I + II + III + IV + V)	**988,722,672**	**1,136.20**

Profit and loss statement for the year ended 31st December 2015

		Year 2014/2015	
INCOME STATEMENT-CHARGES	**XOF**	**XOF**	**Rs. In Lacs**
OPERATING ACTIVITIES			
Other purchases		34,414,446	39.55
Transportation		1,703,800	1.96
External services		116,945,908	134.39
Taxes		26,508,548	30.46
Other charges		5,298	0.01
Staff costs		858,811,310	986.91
(Out door staff included in above XOF 227,555,032)			
Appropriations to depreciation and provisions		1,601,140	1.84
Total operating charges		**1,039,990,450**	**1,195.11**
Exchange losses		34,185,219	39.28
Total financial charges		**34,185,219**	**39.28**
Total regular activity charges		**1,074,175,669**	**1,234.40**
Income tax		176,226,600	202.51
Total profit share and tax		**176,226,600**	**202.51**
OVERALL TOTAL FOR CHARGES		**1,250,402,269**	**1,436.91**
INCOME STATEMENT REVENUE	**XOF**	**XOF**	**Rs. In Lacs**
OPERATING ACTIVITIES			
Sales of work or services		1,510,906,559	1,736.27
GROSS MARGIN ON MATERIALS	1,510,906,559		
Other revenue		11,253,020	12.93
VALUE ADDED	1,342,581,579		-
GROSS OPERATING SURPLUS	483,770,269		-
Total operating revenue		**1,522,159,579**	**1,749.20**
OPERATING INCOME OR LOSS	482,169,129		
Income (+) ; Loss (-)			
FINANCIAL ACTIVITIES			
Exchange gains		1,662,920	1.91
Provisions written back		-	-
Total financial revenue		**1,662,920**	**1.91**
FINANCIAL INCOME OR LOSS (+ or -)	(32,522,299)		-
Total regular activity revenue		**1,523,822,499**	**1,751.11**
Net income or loss from regular activities	449,646,830		-
OVERALL TOTAL FOR REVENUE NET INCOME OR LOSS FOR THE FINANCIAL YEAR		1,523,822,499	1,751.11
Income (+) : Loss (-)		**273,420,230**	**314.20**

STATEMENT OF SOURCE AND APPLICATION OF FUNDS (SSAF) NORMAL SYSTEM

Part 1= CALCULATION OF FINANCIAL BALANCES FOR THE FINANCIAL YEAR 2014/2015

OVERALL INTERNAL FINANCING CAPACITY (OIFC)

OIFC = Gross operating surplus (GOS) - other charges + other revenue, excluding income or loss from dis
- Cash expenses remaining + Products cashable remaining excluding asset disposals

		GOS	483 770 269
Financial charges		Operating charges transferred	
Exchanges losses	34 185 219	Financial revenue	
I.A. charges		Financial charges transferred	
Employee profit share		Exchange gains	1 662 920
Income taxes	176 226 600	I.A. revenue	
		I.A. charges transferred	
Total (I)	210 411 819	Total (II)	485 433 189

OIFC : Total (II) - Total (I) = 275 021 370

INTERNAL FINANCING-

Internal financing = OIFC - Distribution of dividends during financial year (1)

AF= 275 021 370

CHANGE IN OPERATING WORKING CAPITAL

Change in operating working capital= change in inventories + charges in receivables + changes in circulating liabilities (2)

Change in inventories : 2014/2015-2013	**Application Increase (+)**		**Source Decrease**
(A) Net change in inventories	NIl	or	
Changes in receivable : 2014/2015-2013			
Suppliers, advanced payments made		or	
Clients	343 473 155	or	
Other receivables	82 128 243	or	
(B)Overall net change in receivables	425 601 398	or	
Changes in circulating liabilities : 2014/2015-2013			
Clients, advanced payments received		or	
Suppliers		or	59 892 461
Tax liabilities		or	343 439 511
Social liabilities		or	145 752 754
Other liabilities		or	56 217 716
(C) Net change in circulating liabilities		or	605 302 442
CHANGE IN OPERATING WORKING CAPITAL. = (A) + (B) + (C)	-	or	179 701 044

CASH FLOW FROM OPERATING ACTIVITIES

CASH FLOW FROM OPERATING ACTIVITIES = GROSS OPERATING SURPLUS - CHANGE IN OPERATING WORKING CAPITAL - OWNWORK

	2014/2015	2013
Gross operating surplus	483 770 269	
Change in operating working capital	179 701 044	
Own work capitalised		
CASH FLOW FROM OPERATING ACTIVITIES	**663 471 313**	

STATEMENT OF SOURCE AND APPLICATION OF FUNDS (SSAF) NORMAL SYSTEM

PART 2 : TABLE

		2014/2015		2013
		Applications	**Sources**	
I	**INVESTMES AND DIVESTMENT**			
	Internal growth			
	Acquisitions/Sales of tangible fixed assets)	41 744 000		
	External growth			
	Acquisitions/Sales of financial assets)	574 500		
	TOTAL INVESTMENT	42 318 500		
II.	**CHANGE IN OPERATING WORKING CAPITAL**	or	179 701 044	
A -	ECONOMIC APPLICATIONS TO FINANCE (I + II)		137 382 544	
B -	TOTAL APPLICATIONS TO FINANCE		137 382 544	
III.	**APPLICATIONS / SOURCES (CHANGES IN I.A. WORKING CAPITAL)**			
IV.	**MANDATORY FINANCIAL APPLICATIONS**			
V.	**INTERNAL FINANCING**			
	Dividends (applications) / OIFC (sources)		275 021 370	
VI.	**FINANCING THROUGH EQUITY**			
	Increase in capital through new share issues		110 000 000	
VII.	**FINANCING THROUGH LOANS**		-	
C -	**NET FINANCING**		**385 021 370**	
D -	**FINANCING SURPLUS OR DEFICIENCY** (C - B)	or	522 403 914	
VIII.	**CHANGE IN NET CASH AND CASH EQUIVALENTS**			
	at year end + or -522 403 914			-
	at the beginning of the year + or -			
	CHANGE IN NET CASH AND CASH EQUIVALENTS:			
	(+ if application ; - if source)	**522 403 914**	**or**	

CONTROL (from gross balances of balance sheet Net N-1)	**Applications**		**Sources**
Change of working capital :		ou	342 702 870
Change in operating working capital :		ou	179 701 044
Change in net cash and cash equivalents(T) :	522 403 914	ou	
TOTAL	**522 403 914**	=	**522 403 914**

SCHEDULE STATUS OF NORMAL SYSTEM

I - INFORMATION REQUIRED:

A - ACCOUNTING POLICIES:

I - A1 General methods of assessment applied by the Company

The financial statements reflect the activities of THERMAX SENEGAL of providing plant maintenance services for a period of 13 months. They were prepared in assumption of continuity of operations according to generally accepted accounting principles and standards SYSCOHADA

Fixed assets are recorded at their purchase cost completed by expenses necessary for their putting into service. The amortization are calculated on the normal duration of use of each fixed assets following the linear mode according their life expectancy. Amortization duration applied for the calculation of depreciation of fixed assets are: 20 years for Buildings allocated to staff.

I – A2 Specific assessment methods applied by the Company: Not applicable

I - A3 departure from OHADA principles used by the Company: Not applicable

I- A4- Presentation methods applied by the company, with specific mention of the changes made from one year to the other. :- Not applicable

I - A5 Departure from the rules of presentation used by the Company: Not applicable

B - ADDITIONAL INFORMATION ON BALANCE SHEET AND INCOME STATEMENT:

I - B1 Exceptional circumstances likely to lead to the distortion of comparison of financial statement of current and fututre accounting periods: Not applicable

I - B2 Information on revalutation made by the Company: Not Applicable

I - B3 Debts guaranteed by collatral : Not applicable

I - B4 Financial commitments :

Endorsements, guarantees XOF 84 830 900

I - B5 Components of goodwill : Not applicable

I - B6 Comments on possible exceptions in research and development as per regulations: Not applicable

I – B7 Claims guaranteed by the reservation of ownership: Not applicable

I - B8 Evaluation differences in circulating assets: Not applicable

I - B9 Details on the nature, the amount and accounting: Not applicable

I - B9 - A Preparation costs: Not applicable

I - B9 - A Accrued over several years: Not applicable

I - B10 Information on the method of calculation of partial profit on operations multi-year (or overlapping two years at least): Not Applicable

I - B11 Information on the results of operations performed in common: the losses, profit transferred, gains registered loss transferred: Not Applicable

I - B12 Elements of information necessary for the national statistical:

I - B12 - 1 Product details: Not applicable

I - B12 - 2 Excluding retail products from ordinary activities: Not applicable

I - B12 - 3 Nature of the charges transferred by the relevant expense line items: Not applicable

I- B12 4 Detail charges:

	Amount (XOF)
Transport cost on purchases	10000
Actual social contributions	27063096
Imputed social contribution	41639920
Wages and salaries	598003091

I - B12 - 5 contents of irregular activities: not applicable

C -SPECIFIC INFORMATION:

I - C1 Purchased second-hand goods: Not applicable

I - C2 Acquisitions and disposals of works of art: Not applicable

I - C3 Dates of initial claims more than 2 years: Not Applicable

I - C4 Dates of initial claims over 2 years: Not applicable

I - C5 Original maturity dates of debt more than 2 years:

I - C6 Original maturities of debt over 2 years: Not applicable

I – C7Amount of VAT: Billed 69 867 623, Recoverable 18 294 837

D - FOR COMPANIES:

I - D1 Composition of capital :	Par value of ~~shares~~ or units :					5 000
Surname and name	Nationality	Shares and other stock	O or ADP	Number	Total Amount	Transfer or refunds during the year
THERMAX INTERNATIONAL LTD	Society of Mauritius La	Parts soc.	O	22 000	110 000 000	
TOTAL				**22 000**	**110 000 000**	

O : ordinary - ADP : without vote rights

I – D2 List of Subsidiaries and affiliates: Not Applicable

I - D3 Advances and loans to shareholders and company executives: Not applicable

II - INFORMATION OF SIGNIFICANCE IMPORTANCE:

A - OTHER INFORMATION:

II - A1 - A Grants on investments: Not applicable

II - A1 – B Regulated Provisions: Not applicable

II - A2 - Translation Adjustments: Not Applicable

II – A3 – Rating based on market prices the last month of inventory purchased: Not applicable

II - A4 - A Outstanding receivables for the year: Not applicable

II - A4 - B Amounts due for the year: Not applicable

II - A5 Components of foreign exchange gains and losses: Not applicable

II - A6 Analysis of deferred tax: Not applicable

B - FOR COMPANIES:

II - B1 Partners' Current Accounts: Not applicable

II - B2 – A. Receivables related to investments: Not applicable

II - B2 – B. Liabilities related to investments: Not applicable

II - B3 Details of available and non-available reserves: Not applicable

II - B4 Total remuneration of the member's administration and monitoring: Not applicable

TABLE 1: FIXED ASSETS

BALANCES AND MOVEMENTS	**A**	**INCREASES B**			**DECREASES C**		**D = A + B - C**
	GROSS AMOUNT AT BEGINNING OF THE YEAR	Acquisitions Contributions Creations	Transfers	Revaluation conducted during the year	Disposal Split off Scrap	Transfers	GROSS AMOUNT AT END OF THE YEAR
ITEMS							
TANGIBLE ASSETS		**41 744 000**					**41 744 000**
Buildings		41 744 000					41 744 000
FINANCIAL ASSETS		**574 500**					**574 500**
Other financial assets		574 500					574 500
OVERALL TOTAL		**42 318 500**					**42 318 500**

TABLE 2 : DEPRECIATION

BALANCES AND MOVEMENTS	**A**	**B**	**C**	**D = A + B - C**
	Accumulated depreciation at beginning of the year	INCREASES : Depreciation for the year	DECREASES : Depreciation relating to spare parts	Accumulated depreciation at end of the year
ITEMS				
TANGIBLE ASSETS				
Buildings		1 601 140		1 601 140
Total depreciation for the year		**1 601 140**		**1 601 140**

TABLE 3: GAINS AND LOSSES OF ASSIGNMENT: Not applicable

TABLE 4: PROVISIONS: Not applicable

TABLE 5: CAPITAL LEASED ASSETS AND SIMILAR CONTRACTS: Not applicable

TABLE 6 : RECEIVABLES AND MATURITY DATES

RECEIVABLES	GROSS AMOUNT	ANALYSIS BY MATURITY DATE				OTHER ANALYSIS		
		Less or equal to 1 year						
			Maturity date	Between 1 and 2 years	More than 2 years	Amount in foreign currency	Receivables from related parties	Net amount
LONG TERM RECEIVABLES (I)	**574 500**			**574 500**				
Other financial assets	574 500			574 500				
TRADE AND OTHER RECEIVABLES (II)	**425 601 398**	**425 601 398**	**425 601 398**					
Clients , advanced payments received	343 473 155	343 473 155	343 473 155					
State	81 968 243	81 968 243	81 968 243					
Prepayments	160 000	160 000	160 000					
TOTAL (I) + (II)	**426 175 898**	**425 601 398**	**425 601 398**	**574 500**				

TABLE 7 : DEBTS AND MATURITY DATES

DEBTS	GROSS AMOUNT	ANALYSIS BY MATURITY DATE			
		Less or equal to 1 year		Between 1 and 2	More than 2
			Maturity date	years	years
TRADE AND OTHER PAYABLES					
Suppliers	59 892 461	59 892 461	59 892 461		
Employee	104 112 834	104 112 834	104 112 834		
Social Securities and social organisations	41 639 920	41 639 920	41 639 920		
State	343 439 511	343 439 511	343 439 511		
Other payables	56 217 716	56 217 716	56 217 716		
TOTAL	**605 302 442**	**605 302 442**	**605 302 442**		

TABLE 8 : INDIRECT EXPENSES (Specific accounts)

Nature	Account number	Amount in Thousand of XOF
Water	6051	188
Electricity	6052	609
Other resources	6053	5 114
Maintenance	6054	423
Stationery	6055	545
Sundry expenses	6056	17 081
Maintenance and repairs of fixed assets	6241	438
Advertising and marketing	627	75
Telecommunication expenses	628	1 470
Fees	632	50 031

TABLE 9 : DISTRIBUTION OF INCOME AND OTHER KEY FEARTURES OF THE LAST 5 YEARS

NATURE	2014/2015
CAPITAL STRUCTURE AT YEAR END	
Capital stock	110 000 000
Ordinary shares	
PROFIT FOR THE YEAR	
Revenue before tax	1 510 906 559
Profit before depreciation and provisions	451 247 970
Income tax	176 226 600
Net profit	273 420 230
STAFF AND REMUNERATION POLICIES	
Average number of employees during the year	40
Average number of employees working abroad during the year	
Payroll distribution during the year	598 003 091
Benefits paid during the year {Social security, social work}	33 253 187
Expenses of employees working abroad	227 555 032

TABLE 10: PROJECTED ALLOCATION OF THE INCOME FOR THE PERIOD

APPROPRIATIONS	AMOUNT	ORIGINS		AMOUNT (1)
. Legal reserve	22 000 000	. Profit or loss brought forward (pertes)		
. Statutory and contractual reserve		. Profit brought forward (beneficiaries)		
. Other reserve (available)		. Net profit for the year		307 834 676
. Dividends	165 000 000	. Transfers		
. Other appropriation				
. retained profit / earnings	120 834 676			
TOTAL (A)	**307 834 676**	**Control : Total A = Total B**	**TOTAL (B)**	**307 834 676**

TABLE 11 : EMPLOYEES, PAYROLL AND TEMPORARY STAFF

EMPLOYEES AND PAYROLL	EMPLOYEES							PAYROLL						
	LOCAL		OTHER STATES OF THE REGION		OUT OF REGION		TOTAL	LOCAL		OTHER STATES OF THE REGION		OUT OF REGION		TOTAL
QUALIFICATIONS	M	F	M	F	M	F		M	F	M	F	M	F	
a. Permanent staff														
1. TECHNICIANS AND SENIOR MANAGERS					40		40					508 993 532		508 993 532
PERMANENTS					40		40					508 993 532		508 993 532

2. Temporary staff								CHARGE TO THE COMPANY
EMPLOYEES, HELPERS, WORKERS AND TRAINEES								227 555 032
TOTAL PERMANENTS + TEMPORARY					**40**		**40**	**736 548 564**

TABLE 12: PRODUCTION FOR THE YEAR: Not applicable

TABLE 13: PRODUCTION PURCHASES: Not applicable

THERMAX

Sustainable Solutions
Energy & Environment