



ACCOUNTANTS

Postbus 4092
3009 AB Rotterdam
t. Gravenweg 659c
3005 SC Rotterdam
Telefoon 010-242 42 43
Telefax 010-242 42 18
Website www.arep.nl
E-mail rotterdam@arep.nl

ABN AMRO 49 88 55 295
IBAN nr NL76 ABNA 0498855295
Swiftcode ABN ANL 2A
BTW NL 8124 99 128 B 01
Rekeningnummer 276601

GMR Energy (Netherlands) B.V.
T.a.v. de heer P.L. Oei
Postbus 58176
1040 HD AMSTERDAM

May 6th, 2011

INDEPENDENT AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements 2010-2011 for the year ended March 31st, 2011 of GMR Energy (Netherlands) B.V., Amsterdam, which comprise the balance sheet as at March 31st, 2011, 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 GMR Energy (Netherlands) B.V. as at March 31st, 2011 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Rotterdam, May 6th 2011

AREP Rotterdam B.V.

Drs. G. van de Werken RA

R.T. Visch-Spruit AA

RAV2011-028

G&R Energy (Netherlands) B.V.
Amsterdam
Balance sheet as at 31 March 2011

(Before appropriation of results)

		31 March 2011 USD	31 March 2010 USD	31 March 2009 USD
	Notes			
FINANCIAL FIXED ASSETS				
Participations	3	8.807.981	8.807.981	9.968.233
Loans to subsidiary companies	4	54.608.396	42.319.896	32.850.675
		63.416.377	51.127.877	42.818.908
CURRENT ASSETS				
Receivable from affiliated company		0	820.999	0
Other receivables		0	0	19.800
Interest receivable on loan to subsidiary		315.765	179.915	0
Cash at banks	5	4.323.139	4.303.293	310.575
		4.638.904	5.304.207	330.375
CURRENT LIABILITIES				
Interest payable on bank loan		238.600	235.725	238.486
VAT payable		5.431	0	0
Other payables and accrued expense	6	11.366	30.052	962.371
		255.397	265.778	1.200.857
Net current assets		4.383.507	5.038.429	(870.482)
NET ASSETS		67.799.884	56.166.306	41.948.426
LONG TERM LIABILITIES				
Loan from Bank	7	40.000.000	40.000.000	32.000.000
ASSETS LESS LIABILITIES		27.799.884	16.166.306	9.948.426

* The company has voluntarily disclosed the Balance Sheet as of 31 March 2009 as well as the Income Statement for the year 1 April 2009 to 31 March 2010.

GMR Energy (Netherlands) B.V.
Amsterdam
Balance sheet as at 31 March 2011 (continued)

(Before appropriation of results)

		(*)		
	Notes	31 March 2011 USD	31 March 2010 USD	31 March 2009 USD
SHARE CAPITAL AND RESERVES				
	8			
Share capital		25.573	24.262	23.803
Share premium		32.981.886	18.961.386	10.478.386
Currency translation adjustment		703	2.014	2.473
Accumulated Deficit		(2.821.356)	(144.230)	(69.427)
Result for the period		(2.386.922)	(2.677.126)	(486.810)
		<u>27.799.884</u>	<u>16.166.306</u>	<u>9.948.426</u>

* The company has voluntarily disclosed the Balance Sheet as of 31 March 2009 as well as the Income Statement for the year 1 April 2009 to 31 March 2010.

GMR Energy (Netherlands) B.V.
Amsterdam

Profit and loss account for the period from 1 April 2010 to 31 March 2011

(*)

	Year 1 April 2010 31 March 2011 USD	Period 1 January 2009 31 March 2010 USD	Year 1 April 2009 31 March 2010 USD
OPERATIONAL INCOME AND (EXPENSES)			
Management and administrative fee	(34.307)	(54.434)	(35.441)
Tax advise fee	(18.384)	(33.216)	(33.216)
Legal fee	0	(27.239)	(27.239)
Audit fee	(8.883)	(41.605)	(29.728)
Bank fees	(25.000)	(300)	45.000
Other operating expenses	36.026	(2.793)	(2.106)
	<u>(50.547)</u>	<u>(159.587)</u>	<u>(82.729)</u>
FINANCIAL INCOME AND (EXPENSES)			
Interest income PT DSI	135.850	179.915	179.915
Interest expenses on bank loans	(2.424.044)	(2.600.503)	(2.362.017)
Interest expenses on intergroup loans	0	(97.766)	0
Interest income from banks	9.557	10.657	10.657
Interest and Bank charges	(58.190)	(8.500)	(7.007)
Exchange results	452	(1.342)	(3.939)
	<u>(2.336.375)</u>	<u>(2.517.539)</u>	<u>(2.182.391)</u>
Result for the period before taxation	(2.386.922)	(2.677.126)	(2.265.120)
Corporate income tax	0	0	0
Result for the period after taxation	<u>(2.386.922)</u>	<u>(2.677.126)</u>	<u>(2.265.120)</u>

* The company has voluntarily disclosed the Balance Sheet as of 31 March 2009 as well as the Income Statement for the year 1 April 2009 to 31 March 2010.

GMR Energy (Netherlands) B.V.
Amsterdam

Notes to the balance as at 31 March 2011

1. GENERAL

GMR Energy (Netherlands) B.V. ("the Company") with corporate seat in Amsterdam, The Netherlands was incorporated as a private company (besloten vennootschap) with limited liability under the laws of the Netherlands on 5 January 2005.

GMR Energy (Cyprus) Ltd. acquired the shares of the Company on 26 August 2008.

In the previous year, the Company changed its financial year-end from 31 December to 31 March. The previous financial period reported on covered the period from 1 January 2009 to 31 March 2010.

In addition to the companies as stated under the participations, GMR Energy Limited, Bangalore, India and GMR Energy (Cyprus) Ltd, Nicosia, Cyprus and GMR Energy Mauritius Ltd., Mauritius are related companies to the Company.

The Company acquired via participations a coal mine in Indonesia for and up to 31 March 2009 invested USD 9.9 million. As from 1 April 2009 up to balance sheet date the Company further invested USD 1.4 million and USD 2.6 million of the investment costs was recharged to a group company. Up to 31 March 2010 the Company acquired convertible bonds issued earlier by the participations for an amount of USD 32.8 million. As from 1 April 2010 up to balance sheet date the Company has entered into the non-interest bearing Mandatory Convertible Bonds Subscription agreement with PT Duta Sarana Internusa for subscribing to the proposed issue of Bonds. During the year under review the company has subscribed to Mandatory Convertible Bonds of USD 12.28 Million issued by PT Duta Sarana Internusa. The company has also provided the revolving line of credit facility from April 2009 till March 2010.

The acquisitions and further investments are financed with equity USD 18.9 million and bank loan facilities of USD 40 million, guaranteed by GMR Infrastructure Limited.

The principal activity of the Company is to act as an intermediate holding and finance company.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in conformity with the requirements of the Netherlands Civil Code.

The Company qualifies as a small sized company. Therefore, based on article 396 Book 2 of the Netherlands Civil Code, the Company applied certain exemptions in the presentations and disclosures in the financial statements.

In addition, the company has voluntarily disclosed the Balance Sheet as of 31 March 2009 as well as the Income Statements for the periods 1 April 2009 to 31 March 2010 and 26 August 2008 to 31 March 2009. No consolidation is performed as the Company decided to apply the exemption for consolidation as is permitted under article 408, title 9 of Book 2 of the Netherlands Civil Code.

The functional currency of GMR Energy (Netherlands) B.V. is the United States Dollars (USD) as the majority of transactions take place in USD.

The most significant accounting policies applied are:

(a) Participations

Interests in group entities are valued at historical cost plus direct to participation attributable costs, such as bank fees, lawyer fees and costs of legal advice. Permanent impairment of cost price with net asset value will lead to a diminution in value to this lower value.

(b) Loans to subsidiaries

Receivables disclosed under financial assets are stated at the fair value of the amount owed, which normally consists of its face value, net of any provisions considered necessary.

(c) Foreign currencies

Transactions arising in foreign currencies are translated into the local currency at the exchange rate at the date of the transaction. At the balance sheet date, assets and liabilities denominated in foreign currencies are translated at the year-end rates of exchange.

The resulting net translation gains or losses are included in the profit and loss account.

GMR Energy (Netherlands) B.V.
Amsterdam

Notes to the balance as at 31 March 2011 - continued

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - continued

(d) Assets and liabilities

All assets and liabilities for which no other valuation is mentioned are stated at the amounts at which they were acquired or incurred

(e) Taxation

Tax on result is calculated by applying the current rate on the result for the financial year in the profit and loss account, taking into account tax losses carry-forward and tax exempt profit elements and after inclusion of non-deductible costs.

(f) Revenue recognition

Other income and expenses, including taxation, are recognised and reported on an accrual basis.

3. PARTICIPATIONS	Ownership %-age	31 March 2011 USD	31 March 2010 USD	31 March 2009 USD
PT Dwikarya Sejati Utama, Indonesia	99%	8.678.021	8.678.021	9.954.598
PT Duta Sarana Internusa, Indonesia	1%	13.635	13.635	13.635
PT Unsoco, Indonesia	99%	116.325	116.325	0
		8.807.981	8.807.981	9.968.233

Movements in the amount of participations can be summarised as follows:

	PT Dwikarya Sejati Utama	PT Duta Sarana Internusa	PT Unsoco	Total
Balance 1 January 2009	0	0	0	0
Acquisitions during the period at cost	9.954.598	13.635	0	9.968.233
Balance 31 March 2009	9.954.598	13.635	0	9.968.233
Acquisitions during the year at cost	1.390.900	0	116.325	1.507.225
Intergroup recharge of acquisition costs	(2.667.477)	0	0	-2.667.477
Balance 31 March 2010	8.678.021	13.635	116.325	8.807.981
Balance 31 March 2011	8.678.021	13.635	116.325	8.807.981

PT Dwikarya Sejati Utama, Jakarta, Indonesia

The Company holds 99% of the issued and paid up share capital amounting to Indonesian Rupiah (IDR) 1,000,000,000 of PT Dwikarya Sejati Utama, Jakarta, Indonesia.

PT Duta Sarana Internusa, Jakarta, Indonesia

The Company holds 1% of the issued and paid up share capital amounting to Indonesian Rupiah (IDR) 1,000,000,000 of PT Duta Sarana Internusa, Jakarta, Indonesia.

PT Unsoco, Jakarta, Indonesia

The Company holds 99% of the issued and paid up share capital amounting to Indonesian Rupiah (IDR) 990,260,000 of PT Unsoco, Jakarta, Indonesia.

GMR Energy (Netherlands) B.V.
Amsterdam

Notes to the balance as at 31 March 2011 - continued

4. LOANS SUBSIDIARY COMPANIES

The loans refer to investments in Mandatory Convertible Bond's (MCB) issued by PT Dwikarya Sejati Utama and PT Duta Sarana Internusa and a loan to PT Dwikarya Sejati Utama Jakarta, Indonesia

	Nominal value USD	31 March 2011 USD	31 March 2010 USD	31 March 2009 USD
MCB DSU (formerly owned by SML)	1.693.890	12.941.175	12.941.175	9.954.750
MCB DSU (formerly owned by GSAM)	1.693.890	9.954.750	9.954.750	9.954.750
MCB DSU (formerly owned by NP)	2.384.268	9.954.750	9.954.750	12.941.175
MCB DSI	12.288.500	12.288.500	0	0
		45.139.175	32.850.675	32.850.675
Revolving line of credit	9.469.221	9.469.221	9.469.211	0
		54.608.396	42.319.886	32.850.675

Movements in the MCB's can be summarised as follows:

	MCB (SML) PTDSU	MCB (GSAM) PTDSU	MCB (NP) PTDSU	MCB PTDSI	Total
Balance 1 January 2009	0	0	0	0	0
Acquisitions during the period at cost	9.954.750	9.954.750	12.941.175	0	32.850.675
Balance 31 March 2009	9.954.750	9.954.750	12.941.175	0	32.850.675
Movements during the year at cost	0	0	0	0	0
Balance 31 March 2010	9.954.750	9.954.750	12.941.175	0	32.850.675
Movements during the year at cost	0	0	0	12.288.500	12.288.500
Balance 31 March 2011	9.954.750	9.954.750	12.941.175	12.288.500	45.139.175

On 24 February 2009 the Mandatory Convertible Bonds (MCB) SML, GSAM and NP issued on 10 April 2008 and 25 November 2008 by PT Dwikarya Sejati Utama, Jakarta, Indonesia, were assigned to the Company. The MCB's do not bear interest and mature on 25 November 2012.

In the next years, more payments will be made amounting to USD 40 million, relating to the transfer of ownership of the MCB's (SML, GSAM and NP).

During the year under review, the Company has entered into the Mandatory Convertible Bonds Subscription agreement with PT Duta Sarana Internusa for subscribing to the proposed issue of Bonds. During the year the Company has subscribed to non-interest bearing Mandatory Convertible Bonds of USD 12.28 Million issued by PT Duta Sarana Internusa. The company has also provided the revolving line of credit facility till march 2010 bears interest @ 1 year Libor plus 0.5% p.a. (1,415% (2,4512%)), payable in annual arrears from drawdown date. The loan and accrued interest are to be repaid on 31 May 2011.

5. CASH AT BANKS	31 March 2011 USD	31 March 2010 USD	31 March 2009 USD
ING Bank, Amsterdam (EUR current)	7.947	145	(255)
ING Bank, Amsterdam (USD current)	43.658	41.134	310.830
Axis Bank, Dubai (USD deposit)	3.650.945	3.641.425	0
Axis Bank, Dubai (interest deposit)	620.589	620.589	0
	4.323.139	4.303.293	310.575

GMR Energy (Netherlands) B.V.
Amsterdam

Notes to the balance sheet as at 31 March 2011 - continued

5. CASH AT BANKS - continued

The Axis Bank USD deposit matures on 6 April 2011 at an interest rate of 0.26%.
At any point of time the Company should keep available a minimum amount equal to 3 months interest payable (USD interest deposit) relating to the long term loan on account with Axis Bank (see note 7).
All other cash at bank is available upon demand.

6. OTHER PAYABLES AND ACCRUED EXPENSES	31 March 2011 USD	31 March 2010 USD	31 March 2009 USD
Legal council and notary fees	0	20.027	497.488
Bank finance arrangement fees	0	0	420.000
Administrative and legal fees	0	0	20.606
Tax advisory fees	11.366	0	12.420
Audit fees	0	10.025	11.877
	<u>11.366</u>	<u>30.052</u>	<u>962.371</u>

7. LONG TERM LOAN FROM BANK	31 March 2011 USD	31 March 2010 USD	31 March 2009 USD
Axis Bank Ltd, Dubai, United Arab Emirates	12.000.000	12.000.000	32.000.000
Punjab National Bank, India	10.000.000	10.000.000	0
Syndicate Bank, United Kingdom	8.000.000	8.000.000	0
Union bank of India, Hong Kong	10.000.000	10.000.000	0
	<u>40.000.000</u>	<u>40.000.000</u>	<u>32.000.000</u>

The loan is drawn on 23 February 2009 (utilisation date) upon a USD 32,000,000 facility agreement from Axis Bank Ltd, Dubai, United Arab Emirates. In October 2009, Axis Bank down sold the loan to Punjab National Bank and Union Bank. In addition, the Company has availed the facility from Syndicate Bank for USD 8,000,000.

The loans bear interest at LIBOR + 5.50% per annum (as at 31 March 2011 5.964%) (31 March 2010: 5.89313%) and is calculated and accrued for the interest period up to 31 March 2011. The interest is payable on quarterly basis.

Repayment of the loans is 33.33% after laps of 48 months (23 February 2013) of utilisation date, 33.33% after laps of 60 months (23 February 2014) from utilisation date and 33.33% after laps of 72 months (23 February 2015) from utilisation date (23 February 2015).

The total loan of USD 40,000,000 is guaranteed by GMR Infrastructure Limited, Bangalore India.

8. SHARE CAPITAL AND RESERVES

The authorised share capital of the Company, consisting of 90,000 (31 March 2010/31 March 2009: 90,000) ordinary shares with a nominal value of EUR 1 each, amounts to EUR 90,000 (31 March 2010 2008/31 March 2009: EUR 90,000). As at 31 March 2011, 18,000 ordinary shares (31 March 2010/31 March 2009: 18,000) are issued and paid up. The capital of the Company amounts to EUR 18,000 (31 March 2010/31 March 2009: EUR 18,000).

GMR Energy (Netherlands) B.V.

Balance Sheet

Notes to the balance as at 31 March 2011 - continued

8. SHARE CAPITAL AND RESERVES, continued

Movements in share capital and reserves are as follows:

	Share Capital USD	Currency translation reserve USD	Share Premium USD	Accumulated Deficit USD	Total USD
Balance 1 January 2009	25.051	1.225	43.150	-144.230	-74.804
Currency adjustment	-1.248	1.248	0	0	0
Contributions during the period	0	0	10.435.236	0	10.435.236
Result for the period	0	0	0	(412.006)	-412.006
Balance 31 March 2009	23.803	2.473	10.478.386	-556.236	9.948.426
Currency adjustment	459	-459	0	0	0
Contributions during the period	0	0	8.483.000	0	8.483.000
Result for the period	0	0	0	-2.265.120	-2.265.120
Balance 31 March 2010	24.262	2.014	18.961.386	-2.821.356	16.166.306
Currency adjustment	1.311	-1.311	0	0	0
Contributions during the period	0	0	14.020.500	0	14.020.500
Result for the period	0	0	0	-2.379.796	-2.379.796
Balance 31 March 2011	25.573	703	32.981.886	-5.201.152	27.807.010

9. DIRECTORS

The Company has 2 directors (previous period: 2) who received USD 3,910 (previous year: USD 3,813) in that capacity during the period under review.

10. EMPLOYEES

The Company has no employees (previous period: none) and hence incurred no salaries, wages and/or related social security charges during the year under review, nor during the previous year.

The Directors, Amsterdam, 6 May 2011

B.V.N. Rao

Alliel Corporate Management B.V.

DWR Energy (Netherlands) B.V.

Amsterdam

Supplementary information

APPROPRIATION OF RESULTS

Dividends can only be declared with due observance of the company's articles of association and to the extent that the company's capital exceeds the paid in and called up capital, increased by the reserves that must be maintained in accordance with the law or its articles of association

POST BALANCE SHEET EVENTS

No events of any material nature occurred after the balance sheet date of this report.

AUDITOR'S OPINION

The auditors opinion is set out on the following page.