

ENERGY EASTERN PTE. LTD.
(Incorporated in Singapore)
(Company Registration No. 200802341E)

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2011

ENERGY EASTERN PTE. LTD.
(Incorporated in Singapore)

FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

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ENERGY EASTERN PTE. LTD.
(Incorporated in Singapore)

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the company for the financial year ended 31 March 2011.

DIRECTORS

The directors of the company in office at the date of this report are:

Alok Ramdev Kanagat
Kottamasu Venkateswara Rao
Sagi Satyanarayana Varma

(Appointed on 1 November 2010)

**ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY
MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES**

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

None of the directors holding office at the end of the financial period had any interest in shares or debentures of the company or its related corporations at the beginning and end of the financial year as recorded in the register of directors' shareholdings kept by the company.

DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest. The directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

ENERGY EASTERN PTE. LTD.
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REPORT OF THE DIRECTORS (...CONT'D)

SHARE OPTIONS

- (a) Options to take up unissued shares

During the financial year, no option to take up unissued shares of the company was granted.

- (b) Options exercised

During the financial year, there were no shares of the company issued by virtue of the exercise of an option to take up unissued shares.

- (c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the company under option.

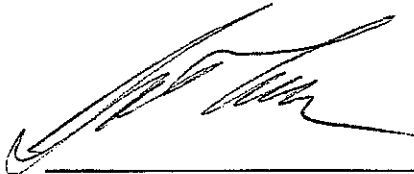
INDEPENDENT AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS



Sagi Satyanarayana Varma
Director



Kottamasu Venkateswara Rao
Director


Date: 16 MAY 2011

ENERGY EASTERN PTE. LTD.
(Incorporated in Singapore)

STATEMENT BY DIRECTORS

In the opinion of the directors of ENERGY EASTERN PTE. LTD., the accompanying the financial statement set out on pages 6 to 22 are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2011 and of its results, changes in equity and cash flows for the financial year ended 31 March 2011; and 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.

ON BEHALF OF THE DIRECTORS



Sagi Satyanarayana Varma
Director



Kottamasu Venkateswara Rao
Director

Date: 16 MAY 2011

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
ENERGY EASTERN PTE. LTD.
(Incorporated in Singapore)**

Report on the Financial Statements

We have audited the accompanying financial statements of ENERGY EASTERN PTE. LTD. which comprise the statement of financial position of the company as at 31 March 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 March 2011, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 22.

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 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 profit and loss account and balance sheet and to maintain accountability of assets.

Auditors' 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
ENERGY EASTERN PTE. LTD. (...CONT'D)**
(Incorporated in Singapore)

Opinion

In our opinion, the financial statements 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 state of affairs of the company as at March 31, 2011 and of the results, 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.

Deloitte & Touche LLP

Public Accountants and
Certified Public Accountants

Singapore
16 May 2011

ENERGY EASTERN PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF FINANCIAL POSITION
31 MARCH 2011

	Note	<u>2011</u>	<u>2010</u>
		US\$	US\$
<u>ASSET</u>			
Current Asset			
Cash and cash equivalents	7	658,571	10,040
Trade receivables	8	41,514	-
Total current assets		<u>700,085</u>	<u>10,040</u>
TOTAL ASSET		<u>700,085</u>	<u>10,040</u>
<u>LIABILITIES AND EQUITY</u>			
Current Liabilities			
Trade payables	9	322,021	-
Other payables	10	70,887	65,540
Income tax payable	14	5,018	-
Total current liabilities		<u>397,926</u>	<u>65,540</u>
Capital and Accumulated Losses			
Share capital	11	711,032	591,032
Accumulated losses		(408,873)	(646,532)
Total Equity/Capital Deficiency		<u>302,159</u>	<u>(55,500)</u>
TOTAL LIABILITIES AND EQUITY /			
TOTAL LIABILITIES NET OF CAPITAL			
DEFICIENCY		<u>700,085</u>	<u>10,040</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

ENERGY EASTERN PTE. LTD.
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STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2011

	Note	2011 US\$	2010 US\$
Revenue	12	2,635,474	-
Cost of sales		(2,073,168)	-
Gross profit		562,306	-
Exchange gain (net)		344	425
Operating expenses	13	(319,973)	(97,961)
Profit /(Loss) before income tax		242,677	(97,536)
Income tax	15	(5,018)	-
Total profit / (loss) for the year representing total comprehensive income (loss) for the year		<u>237,659</u>	<u>(97,536)</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

ENERGY EASTERN PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2011

	<u>Note</u>	<u>Share capital</u> US\$	<u>Accumulated losses</u> US\$	<u>Total</u> US\$
Balance as at 1 April 2009		141,032	(548,996)	(407,964)
Issue of share capital	11	450,000	-	450,000
Total comprehensive loss for the year		-	(97,536)	(97,536)
Balance as at 31 March 2010		<u>591,032</u>	<u>(646,532)</u>	<u>(55,500)</u>

	<u>Note</u>	<u>Share capital</u> US\$	<u>Accumulated losses</u> US\$	<u>Total</u> US\$
Balance as at 1 April 2010		591,032	(646,532)	(55,500)
Issue of share capital	11	120,000	-	120,000
Total comprehensive income for the year		-	237,659	237,659
Balance as at 31 March 2011		<u>711,032</u>	<u>(408,873)</u>	<u>302,159</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements

ENERGY EASTERN PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2011

	<u>2011</u> US\$	<u>2010</u> US\$
Cash Flows From Operating Activities		
Profit / (Loss) before income tax, representing cash flows before changes in working capital	<u>242,677</u>	<u>(97,536)</u>
Working capital changes, excluding changes relating to cash:		
Trade receivables	(41,514)	-
Trade payables	322,021	-
Other payables	<u>5,347</u>	<u>30,575</u>
Net cash from / (used in) operating activities	<u>528,531</u>	<u>(66,961)</u>
Cash Flow Used In Financing Activities		
Issue of share capital, representing net cash from financing activities	<u>120,000</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	648,531	(66,961)
Cash and cash equivalents at the beginning of year	<u>10,040</u>	<u>38,195</u>
Cash and cash equivalents at the end of year (Note 7)	<u><u>658,571</u></u>	<u><u>10,040</u></u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements

ENERGY EASTERN PTE. LTD.
(Incorporated in Singapore)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2011**

1. GENERAL INFORMATION

ENERGY EASTERN PTE. LTD. (Company Registration No: 200802341E) is domiciled in Singapore. The company's principal place of business is at 5 Shenton Way, #14-09 UIC Building, Singapore 068808.

The principal activities of the company are in chartering of cape size dry bulk carriers for the proposed transportation of coal from Indonesia to Mundra.

The financial statements of ENERGY EASTERN PTE. LTD. as at 31 March 2011 and for the financial year ended 31 March 2011 were authorised and approved by the board of directors for issuance on 16 May 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Singapore Companies Act.

The financial statements expressed in United States dollars are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies.

In the current financial period, the company has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are mandatory for application from annual periods beginning on or after 1 April 2010.

The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company's accounting policies and has no material effect on the amounts reported for the current or prior years.

ENERGY EASTERN PTE. LTD.
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2011 (...CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

a) Basis of preparation (...cont'd)

At the date of authorisation of the financial statements, the following revised FRS that is relevant to the company was issued but not effective:

FRS 24 (Revised) - Related Party Disclosures

FRS 24 (Revised) *Related Party Disclosures* is effective for annual periods beginning on or after January 1, 2011. The revised Standard clarifies the definition of a related party and consequently additional parties may be identified as related to the reporting entity. In the period of initial adoption, the changes to related party disclosures, if any, will be applied retrospectively with restatement of the comparative information.

Management anticipates that the adoption of the other FRSSs, INT FRSSs and amendments to FRS that issued at the date of authorisation of these financial statements but not effective in future periods will have no material impact on the financial statements of the company in the period of their initial adoption.

b) Financial Instruments

Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Financial Liabilities and Equity

Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

ENERGY EASTERN PTE. LTD.
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2011 (...CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

b) Financial Instruments (...cont'd)

Classification as debt or equity

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Trade and other payables

Trade and other payables are initially measured at fair values, and subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

ENERGY EASTERN PTE. LTD.
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2011 (...CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

c) Foreign currency translation

The financial statements of the company are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the company are presented in United States dollars, which is the functional currency of the company.

In preparing the financial statements of the company, monetary assets and liabilities in foreign currencies are translated into United States dollars at rates of exchange closely approximate to those ruling at the end of reporting date and transactions in foreign currencies during the financial period are translated at rates ruling on transaction dates. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the income statement for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statement except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

d) Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash at bank.

e) Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less allowance for impairment. An allowance for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the asset's carrying amount and present value of estimated future cash flows, discounted at original effective interest rate. The amount of the allowance is recognised in the income statement.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2011 (...CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

f) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from manner in which company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in the profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2011 (...CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (...CONT'D)

g) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

h) Share Capital

Ordinary shares issued by the company are classified as equity and recorded at the proceeds received, net of direct issue costs.

i) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered in the normal course of business, net of discounts and sales related taxes.

Rendering of services

Revenue from the rendering of services that are of a short duration is recognised when the services are completed.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF
ESTIMATION UNCERTAINTY**

a) Critical judgements in applying the company's accounting policies

In the application of the company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

ENERGY EASTERN PTE. LTD.
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (...CONT'D)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (...CONT'D)

a) Critical judgements in applying the company's accounting policies (...cont'd)

The management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

b) Key sources of estimation uncertainty

The management is of the opinion that there are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	<u>2011</u> US\$	<u>2010</u> US\$
Financial Assets		
Loans and receivables (including cash and cash equivalents)	<u>700,085</u>	<u>10,040</u>
Financial Liabilities		
Amortised cost	<u>392,908</u>	<u>65,540</u>

b) Liquidity risk management

The financial assets and liabilities as at 31 March 2011 and 2010 are repayable on demand or within a year and are non-interest bearing.

ENERGY EASTERN PTE. LTD.
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2011 (...CONT'D)**

**4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS
MANAGEMENT (...CONT'D)**

c) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by the counterparty limits that are reviewed and approved by management.

The carrying amount of financial assets recorded in the financial statements represents the company's maximum exposure to credit risk. Majority of the receivables are from the immediate holding company. The management are of the view that the amounts due from the immediate holding company are not subjected to significant credit risks.

d) Interest rate risk management

The company has no exposure to market risk for changes in interest rates.

e) Capital risk management

The company reviews its capital structure at least annually to ensure that the company will be able to continue as a going concern. The capital structure of the company comprises only of issued capital and accumulated losses. The company's overall strategy remains unchanged from 2010.

f) Foreign currency risk management

Certain transactions of the company are denominated in Singapore dollars, therefore, the company is exposed to a certain degree of foreign exchange risk. However, the company does not use any hedging instruments to protect against the volatility associated with foreign currency transactions, other assets and liabilities created in the normal course of business.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2011 (...CONT'D)**

4. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (...CONT'D)

f) Foreign currency risk management (...cont'd)

The company's significant current exposure is to Singapore dollars, which is as follows:

	<u>2011</u> US\$	<u>2010</u> US\$
<u>Assets</u>		
Cash at bank	10,671	4,883
	<u>10,671</u>	<u>4,883</u>
<u>Liabilities</u>		
Other payables	5,300	5,540
Income tax payable	5,018	-
	<u>10,318</u>	<u>5,540</u>

At 31 March 2011, if the Singapore dollar had strengthened/weakened by an estimated 10% against the United States dollars with all other variables including tax rate being held constant, the company's profit or loss for the financial year would have been higher/lower by approximately US\$35 (2010 : US\$66) as a result of currency translation gains/losses on the remaining Singapore dollars denominated financial assets and liabilities.

g) Fair values of financial assets and financial liabilities

The carrying amounts of cash at bank, accruals, related company balances approximate their fair values due to their short-term nature.

5. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The company's immediate holding company is Coastal Gujarat Power Limited (incorporated in India) and its ultimate holding company is The Tata Power Company Limited (incorporated in India).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (...CONT'D)

6. RELATED PARTY TRANSACTIONS

An entity is considered a related party of the company for the purpose of the financial statements if:

- a) it possesses the ability (directly or indirectly) to control or exercise significant influence over the financial and operating decisions of the company or vice versa; or
- b) it is subject to common control or common significant influence.

During the year, the following are the related party transactions entered into by the company on terms agreed between the parties:

	<u>2011</u> US\$	<u>2010</u> US\$
Management fees paid/ payable to a related company	60,000	60,000
Services rendered to immediate holding company	2,635,474	-
Charges due from immediate holding company	38,486	-
Charges due to immediate holding company	<u>295,860</u>	<u>-</u>

7. CASH AND CASH EQUIVALENTS

	<u>2011</u> US\$	<u>2010</u> US\$
Cash at bank	<u>658,571</u>	<u>10,040</u>
	<u>658,571</u>	<u>10,040</u>

The company's cash and bank balances that are not denominated in United States dollars are as follows:

	<u>2011</u> US\$	<u>2010</u> US\$
Singapore dollars	<u>10,671</u>	<u>4,883</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (...CONT'D)

8. TRADE RECEIVABLES

	<u>2011</u> US\$	<u>2010</u> US\$
Immediate holding company (Note 6)	38,486	-
Outside party	3,028	-
	<u>41,514</u>	<u>-</u>

The carrying amount of trade receivables approximates its fair values and is denominated in United States dollars.

The average credit period is 30 days (2010 : 30 days). No interest is charged on overdue trade receivables.

The company makes specific allowances for receivables based on management assessment that majority receivables that are past due beyond 120 days are generally not recoverable.

Before accepting any new customer, the company will assess the potential customer's credit quality. Limits are monitored periodically by management.

In determining the recoverability of a trade receivable the company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Accordingly, the management believes that there is no provision required.

Trade receivables balances were not past due and impaired as at 31 March 2011.

9. TRADE PAYABLES

	<u>2011</u> US\$	<u>2010</u> US\$
Holding company (Note 6)	295,860	-
Outside party	26,161	-
	<u>322,021</u>	<u>-</u>

The carrying amounts of other payables approximate their fair values and are denominated in United States dollars.

The average credit period on purchases of services is 28 days (2010 : US\$NIL). No interest is charged on trade payables.

ENERGY EASTERN PTE. LTD.
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (...CONT'D)

10. OTHER PAYABLES

	<u>2011</u> US\$	<u>2010</u> US\$
Accrued expenses	10,887	5,540
Related company (Note 6)	60,000	60,000
	70,887	65,540

The carrying amounts of other payables approximate their fair values and are not denominated in United States dollars are as follows:

	<u>2011</u> US\$	<u>2010</u> US\$
Singapore dollars	5,300	5,540

11. SHARE CAPITAL

	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	Number of ordinary shares		US\$	US\$
<u>Issued and fully paid:</u>				
At the beginning of year	591,032	141,032	591,032	141,032
Issued during the year	120,000	450,000	120,000	450,000
At the end of year	711,032	591,032	711,032	591,032

During the financial year, the company increased its paid up share capital by way of a further allotment of 120,000 ordinary shares for a total consideration of US\$120,000 as working capital of the company.

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the company. All shares rank equally with regard to the company's residual assets.

All issued ordinary shares are fully paid and have no par value.

12. REVENUE

This represents sales of services rendered at invoiced value net of goods and services tax.

ENERGY EASTERN PTE. LTD.
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (...CONT'D)

13. OPERATING EXPENSES

	<u>2011</u> US\$	<u>2010</u> US\$
Management fees	60,000	43,667
Legal and professional fees	5,587	48,731
Travelling expenses	10,943	-
Others	243,443	5,563
	319,973	97,961

14. INCOME TAX

	<u>2011</u> US\$	<u>2010</u> US\$
Current tax	5,018	-

Income tax expense is calculated at 17% (2010 : 17%) of the estimated assessable profit (loss) for the year.

The total charge for the year can be reconciled to the accounting profit (loss) as follows:

	<u>2011</u> US\$	<u>2010</u> US\$
Profit / (Loss) before tax	242,677	(97,536)
Tax at the domestic income tax rate	41,254	(16,581)
Non deductible (taxable) items	(16,711)	-
Exempt income	(19,525)	-
Deferred tax assets not recognised	-	16,581
	5,018	-

- 15.** The company does not have any employees. All services provide by the company are managed by Trust Energy Resources Pte Ltd, a related company and the charges are included under management fee. Hence there is no a staff cost or key management cost incurred by the company.

ENERGY EASTERN PTE LTD
 INCOME STATEMENT
 FOR THE YEAR ENDED 31 MARCH 2011

	Note			Note		
	Year ended 31 March 2011	Exchange Rate	Amount	Year ended 31 March 2010	Exchange Rate	Amount
	USD		Rs	USD		Rs
REVENUE	2,635,474	45.58	120,124,905			
Cost Of Sales	(2,073,168)	45.58	(94,494,997)			
Gross Profit	562,306		256,299,07			
Exchange gain	344	45.58	15,680	425	47.42	20,154
COST AND EXPENSES						
Operating expenses	(319,973)	45.58	(14,584,369)	(97,961)	47.42	(4,645,311)
Net profit from foreign exchange transactions			-			-
Loss before tax	242,677		11,061,218	(97,536)		(4,625,157)
Taxation	(5,018)	45.58	(228,720)			
Loss for the year / period	237,659		10,832,497	(97,536)		(4,625,157)

ENERGY EASTERN PTE LTD
BALANCE SHEET AT 31 MARCH 2011

	31.03.2011	Exchange Rate	Amount	31.03.2010	Exchange Rate	Amount
Note	USD		Rs	USD		Rs
ASSETS						
<u>Current Assets</u>						
Cash at bank and in hand	658,571	44.67	29,418,367	10,040	45.16	453,406
Trade Receivables	41,514	44.67	1,854,430			
Exchange fluctuation reserve			2,533,077			2,111,352
Total assets	<u>700,085</u>		<u>33,805,874</u>	<u>10,040</u>		<u>2,564,758</u>
EQUITY AND LIABILITIES						
<u>Capital and reserves</u>						
Share capital	711,032		34,029,123	591,032		28,436,073
Accumulated losses	(408,873)		(17,998,604)	(646,532)		(28,831,101)
Exchange fluctuation reserve						
	<u>302,159</u>		<u>16,030,519</u>	<u>(55,500)</u>		<u>(395,028)</u>
<u>Current liabilities</u>						
Trade Payables	322,021	44.67	14,384,678			
Other payables	70,887	44.67	3,166,522	65,540	45.16	2,959,786
Income Tax Payable	5,018	44.67	224,154			
Share application monies received			-			-
	<u>397,926</u>		<u>17,775,354</u>	<u>65,540</u>		<u>2,959,786</u>
Total equity and liabilities	<u>700,085</u>		<u>33,805,874</u>	<u>10,040</u>		<u>2,564,758</u>

ENERGY EASTERN PTE LTD
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2011

	31.03.2011	Exchange Rate	Amount	31.03.2010	Exchange Rate	Amount
Note	USD		Rs	USD		Rs
Cash flows from operating activities						
Loss before tax	242,677	45.58	11,061,218	(97,536)	47.42	(4,625,157)
Cash flows before changes in working capital	242,677		11,061,218	(97,536)		(4,625,157)
Working capital changes, excluding changes relating to cash :						
Trade Receivables	(41,514)	45.58	(1,892,208)			
Trade Payables	322,021	45.58	14,677,717			
Other Payables	5,347	45.58	243,716	30,575	47.42	1,449,867
Cash absorbed by operating activities	528,531		24,090,443	(66,961)		(3,175,291)
Cash flows from financing activities						
Proceeds from issue of share capital	120,000		5,593,050			-
Amount owing to ultimate holding company			-			-
Share application monies received			(718,533)			(298,354)
Exchange fluctuation			4,874,517			(298,354)
Net cash generated from financing activities	120,000		4,874,517			(298,354)
Net increase / (decrease) in cash at bank	648,531		28,964,960	(66,961)		(3,473,645)
Cash and cash equivalents:						
At the beginning of the year / period	10,040		453,406	77,001		3,927,051
At the end of the year / period	658,571		29,418,367	10,040		453,406