

**Auditors Report
To
The Shareholders of
M/s AC Infrastructure & Development Private Limited**

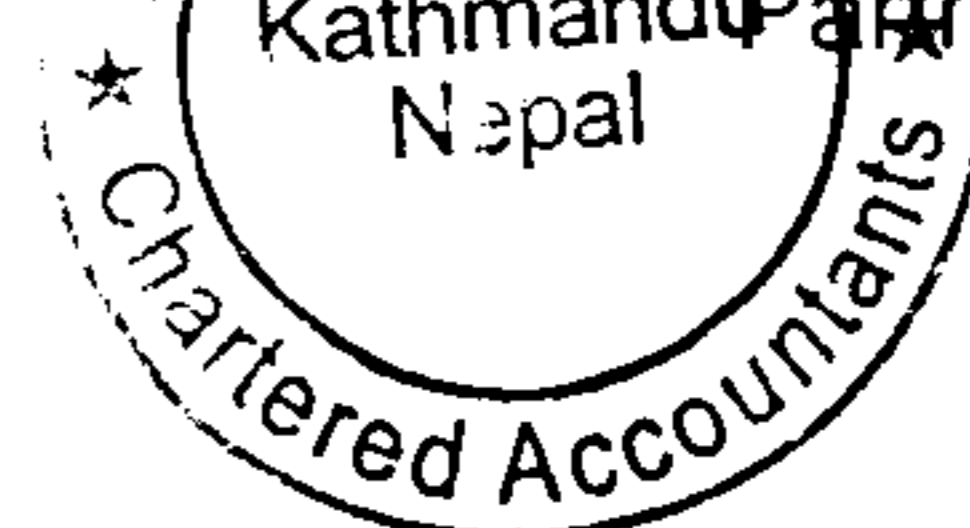
We have audited the attached Balance Sheet of **M/s AC Infrastructure & Development Private Limited, Kathmandu, Nepal** as on March 31, 2010 together-with Profit and Loss Account and Cash Flow Statement for the year ending on that date. The financial statements are the responsibility of the management of the organization. Our responsibility is to express an opinion on these financial statements based on our audit

We conducted our audit in accordance with Generally Accepted Auditing Standards in Nepal. Those standards require that we plan and perform audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on the test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. Further we report that:

1. We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of account as required by law have been kept by the organization in so far as it appears from our examination of those books of account.
3. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the organization.
4. In our opinion and to the best of our information and according to the explanations given to us, the said Statement of Accounts read with the notes thereon, give true and fair view:
 - a) In the case of the Balance Sheet, of the state of affair of the Company as at March 31, 2010.
 - b) In the case of Profit and Loss Account, of the net loss for the year ended on that date and
 - c) In the case of Cash Flow Statement, the inflows and outflows of cash for the year ended on that date.
5. In our opinion and to the best of our information and according to the explanations given to us and from our examination of the books of account of the organization, we have not come across the cases where the board of directors or any member thereof or any employees of the organization has acted in contravention of the existing laws, neither have they misappropriated fund nor caused any loss to the organization so far as it appears from our audit.
6. This report is issued by us, pursuant to specific request made by the Company, in regard to consolidation of the financial statements with the Parent Company.

Kathmandu

Date : 3rd August, 2010

For NBSM & Associates
Chartered AccountantsCA. Nil Bahadur Saru Regar
Kathmandu Partner
Nepal

AC Infrastructure & Development Private Limited
Balance Sheet
As at March 31, 2010

Particulars	Schedules	Current Year	Previous Year
Capital & Liabilities:			
Capital & Reserve Fund			
Share Capital	1	50,000.00	50,000.00
		50,000.00	50,000.00
Assets:			
Current Assets, Loans & Advances:			
Cash & Bank Balances	2	10,400.00	10,400.00
Other Advances	3	14,732.00	14,747.00
		25,132.00	25,147.00
Less: Current Liabilities:			
Other Payables	4	5,925.00	985.00
		5,925.00	985.00
Net Current Assets		19,207.00	24,162.00
Profit and Loss Account		30,793.00	25,838.00
		50,000.00	50,000.00

Significant accounting policies &
Notes to the Accounts

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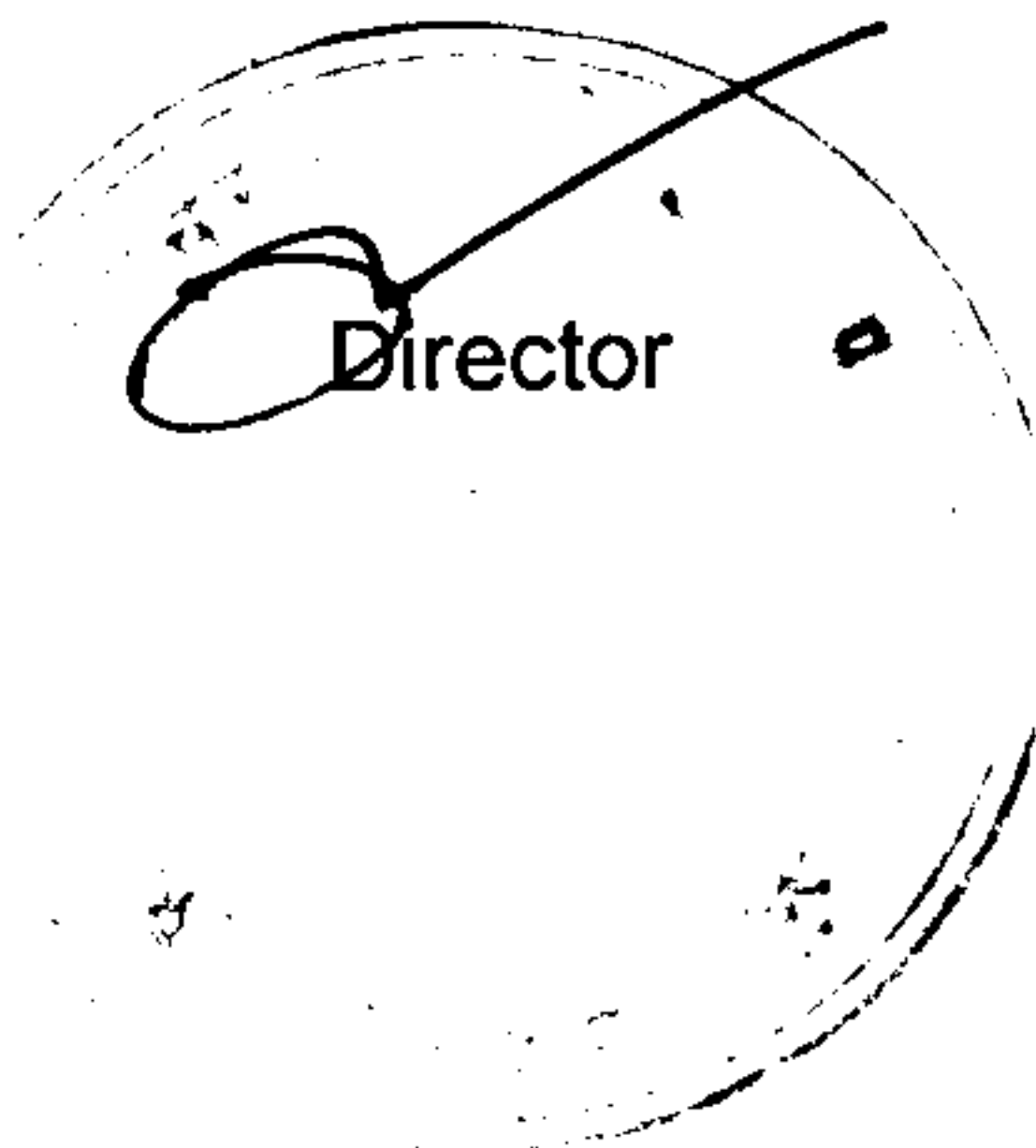
As per our attached report of even date

Kathmandu

Date: 03-08-2010

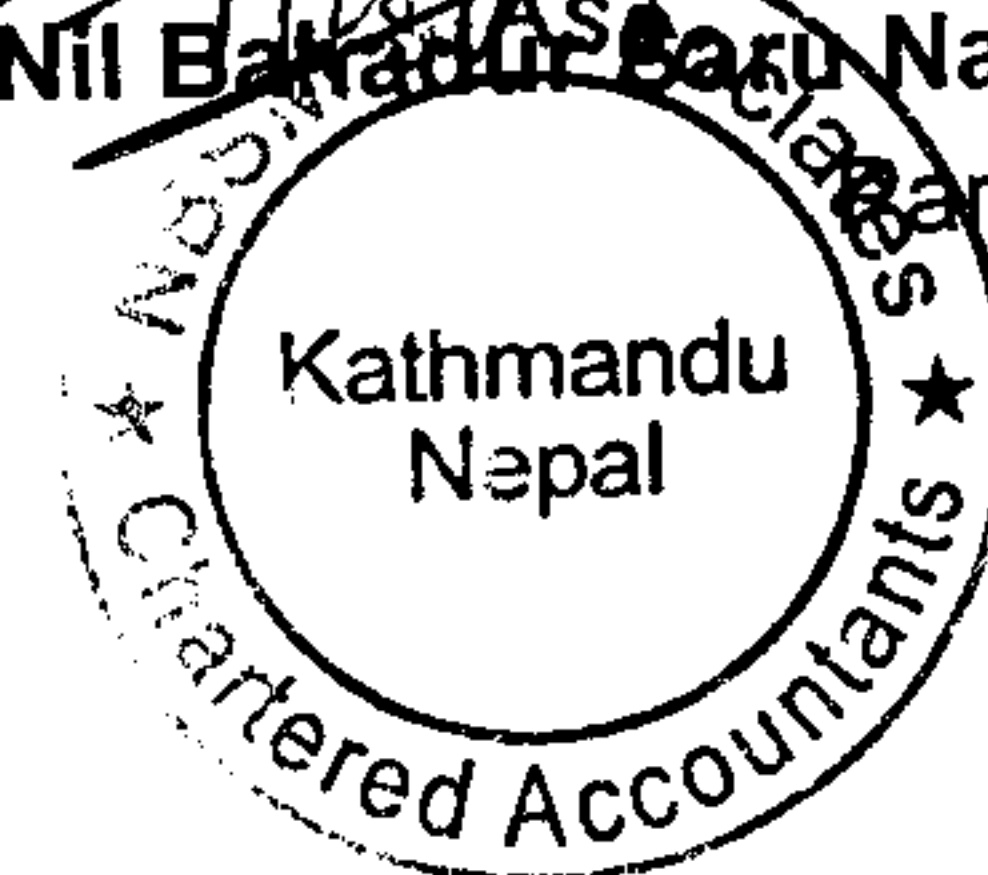

F & A Manager

For & On Behalf of the Board


Director

For NBSM and Associates
Chartered Accountants

CA. Nil Bahadur Barua Nagari
Partner



AC Infrastructure & Development Private Limited
Profit and Loss Account
For the year ended March 31, 2010

Particulars	Schedules	Current Year	Previous Year
Income		-	-
Less: Direct Expenses		-	-
Gross Profit		-	-
Less:			
Administrative & General Expenses	5	4,955.00	1,000.00
Profit/(Loss) from Operation		(4,955.00)	(1,000.00)
Less:			
Preliminary Expenses w/off		-	-
Pre-operating Expenses w/off		-	-
Net Profit/(Loss)		(4,955.00)	(1,000.00)
Profit/(Loss) Upto Last Year		(25,838.00)	(24,838.00)
Transferred to Balance Sheet		(30,793.00)	(25,838.00)

Significant Accounting Policies & Notes on Accounts

6

As per our attached report of even date

Kathmandu


Date: 03-08-2010


F & A Manager

For & On Behalf of the Board



For NBSM and Associates
Chartered Accountants


CA. Nil Bahadur Sanjiv
Partner
Kathmandu
Nepal
Chartered Accountants

AC Infrastructure & Development Private Limited
Cash Flow Statement
For the year ended March 31, 2010

Particulars	Current year	Previous year
Cash Flow From Operating Activities:		
Net Profit /(Loss)	(4,955.00)	(1,000.00)
Add:		
Preliminary Expenses w/off	-	-
Pre-operating Expenses w/off	-	-
Cash Flow from Operating activities before changes in W/C	(4,955.00)	(1,000.00)
Cash Flow From Operating Activities:		
Decrease/ (Increase) in Current Assets	15.00	2,565.00
Increase/ (Decrease) in Current Liabilities	4,940.00	(1,565.00)
Net Cash Flow From Operating Activities	-	-
Cash Flow from Investing Activities		
Preoperative Expenses	-	-
Net Cash Flow From Investing Activities	-	-
Cash Flow from Financing Activities		
Increase in Share Capital	-	-
Net Cash Flow From Financing Activities	-	-
Total Cash Flow From All Activities	-	-
Opening Cash & Bank Balances	10,400.00	10,400.00
Closing Cash & Bank Balances	10,400.00	10,400.00

Significant accounting policies &
Notes to the Accounts

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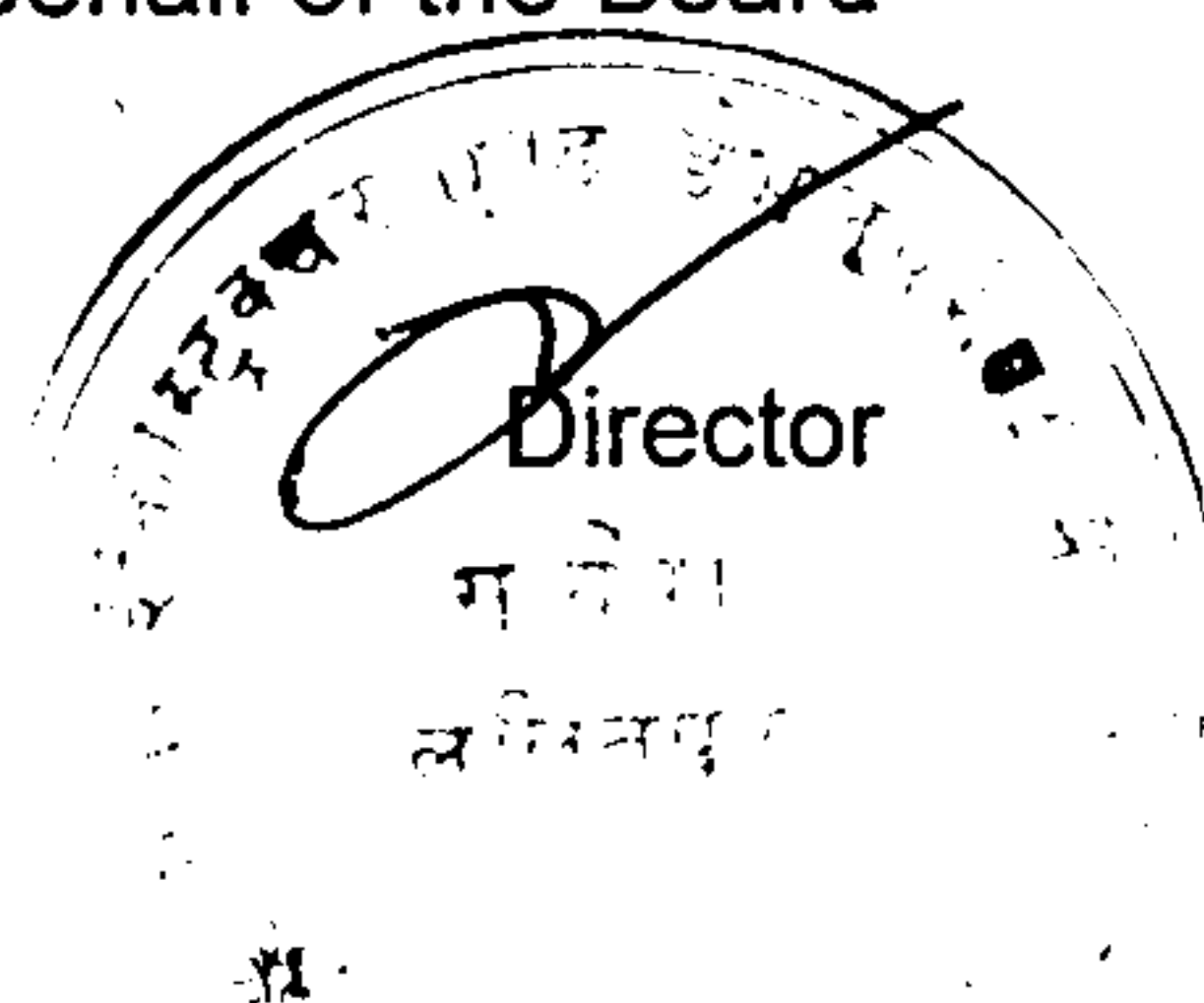
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Kathmandu

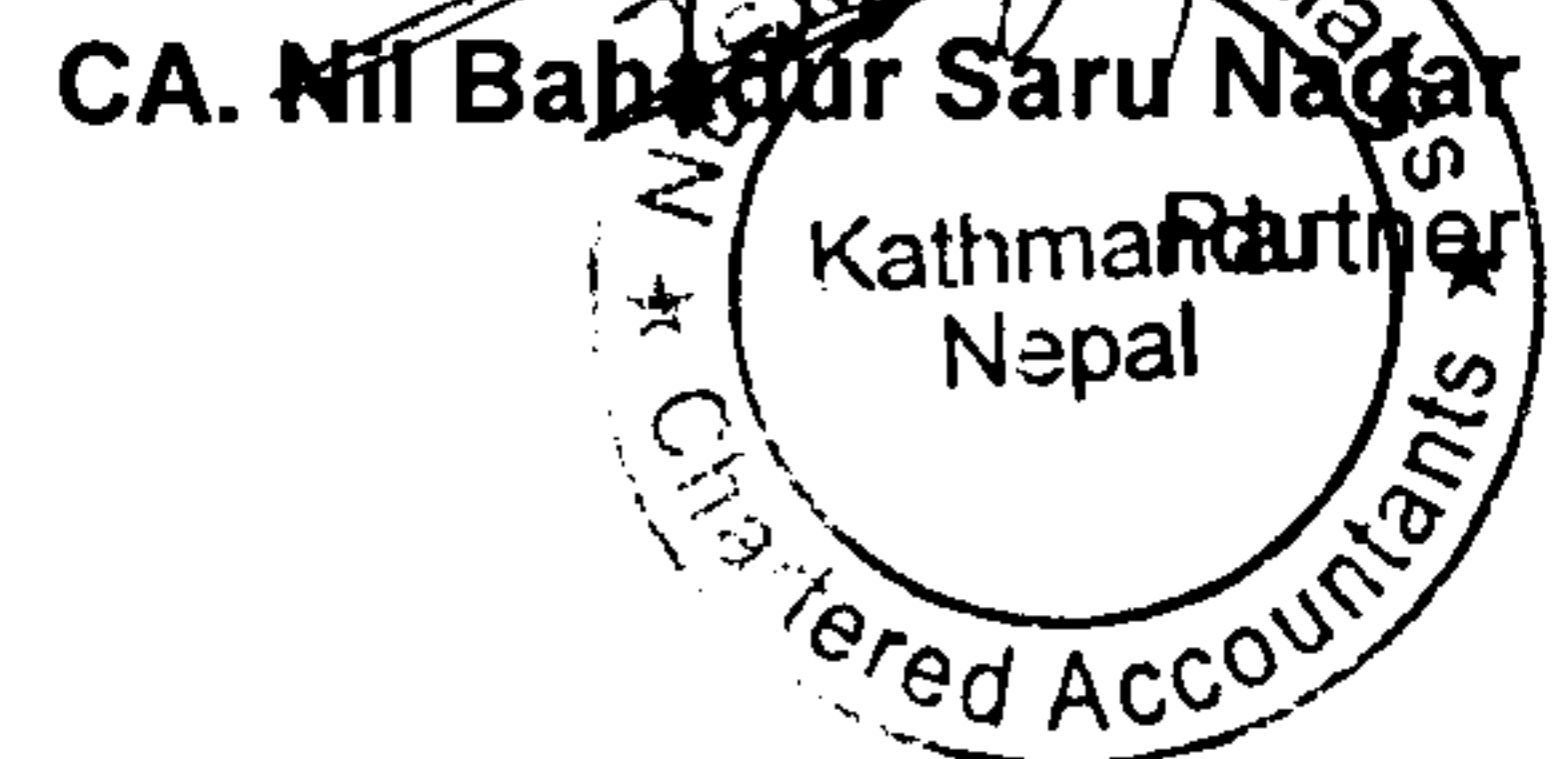
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F & A Manager

For & On Behalf of the Board


Director
गणेश
बस्नेत

For NBSM and Associates
Chartered Accountants

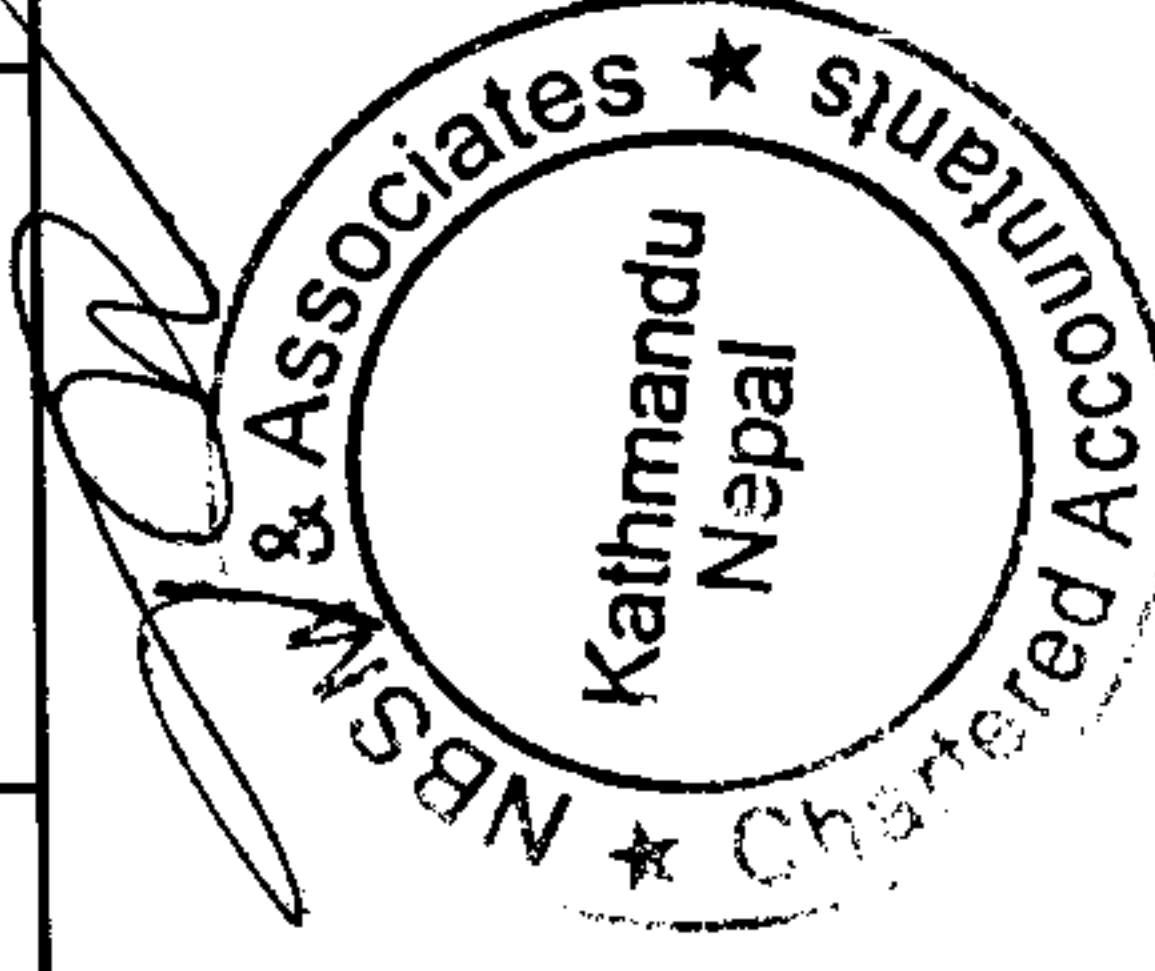
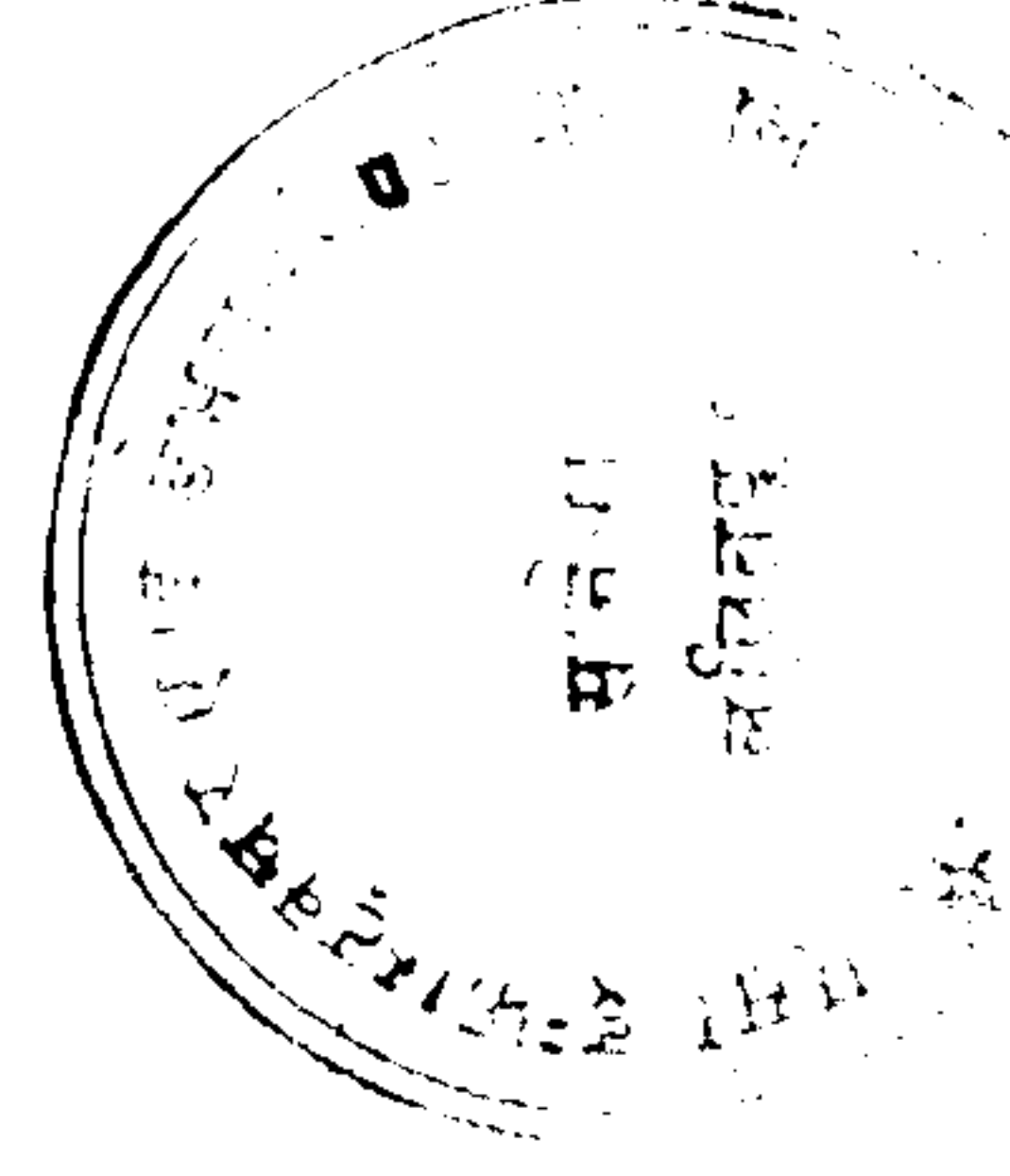

CA. Nil Bahadur Saru Nagari
Kathmandu Partner
Nepal
Chartered Accountants

AC Infrastructure & Development Private Limited

Statement of Changes in Equity

For the year ended March 31, 2010

Particulars	Share Capital	Share Premium	Revaluation Reserves	Retained Earnings	Other Reserves	Total
Opening Balance	50,000.00	-	-	(25,838.00)	-	24,162.00
Changes in Accounting Policy	-	-	-	-	-	-
Restated Balance	50,000.00	-	-	(25,838.00)	-	24,162.00
Profit for the Year	-	-	-	(4,955.00)	-	(4,955.00)
Transferred to General Reserves	-	-	-	-	-	-
Dividend to shareholders	-	-	-	-	-	-
Shares Issued	-	-	-	-	-	-
Closing Balance	50,000.00	-	-	(30,793.00)	-	19,207.00



AC Infrastructure & Development Private Limited
Schedules forming part of the Accounts for the year ended March 31, 2010

Schedule -1

Share Capital

Particulars	Current year	Previous year
<u>Authorised:</u>		
5000 Equity Shares of Rs. 100/- each	500,000.00	500,000.00
<u>Issued:</u>		
1000 Equity Shares of Rs. 100/- each	100,000.00	100,000.00
<u>Subscribed & Paid Up:</u>		
500 Equity Shares of Rs. 100/- each	50,000.00	50,000.00
	50,000.00	50,000.00

Schedule -2

Cash & Bank Balances

Particulars	Current year	Previous year
Everest Bank Ltd., Pulchowk Branch	10,400.00	10,400.00
	10,400.00	10,400.00

Schedule -3

Other Advance

Particulars	Current year	Previous year
Ansal Chaudhary Developers (P) Ltd.	14,732.00	14,747.00
	14,732.00	14,747.00

Schedule -4

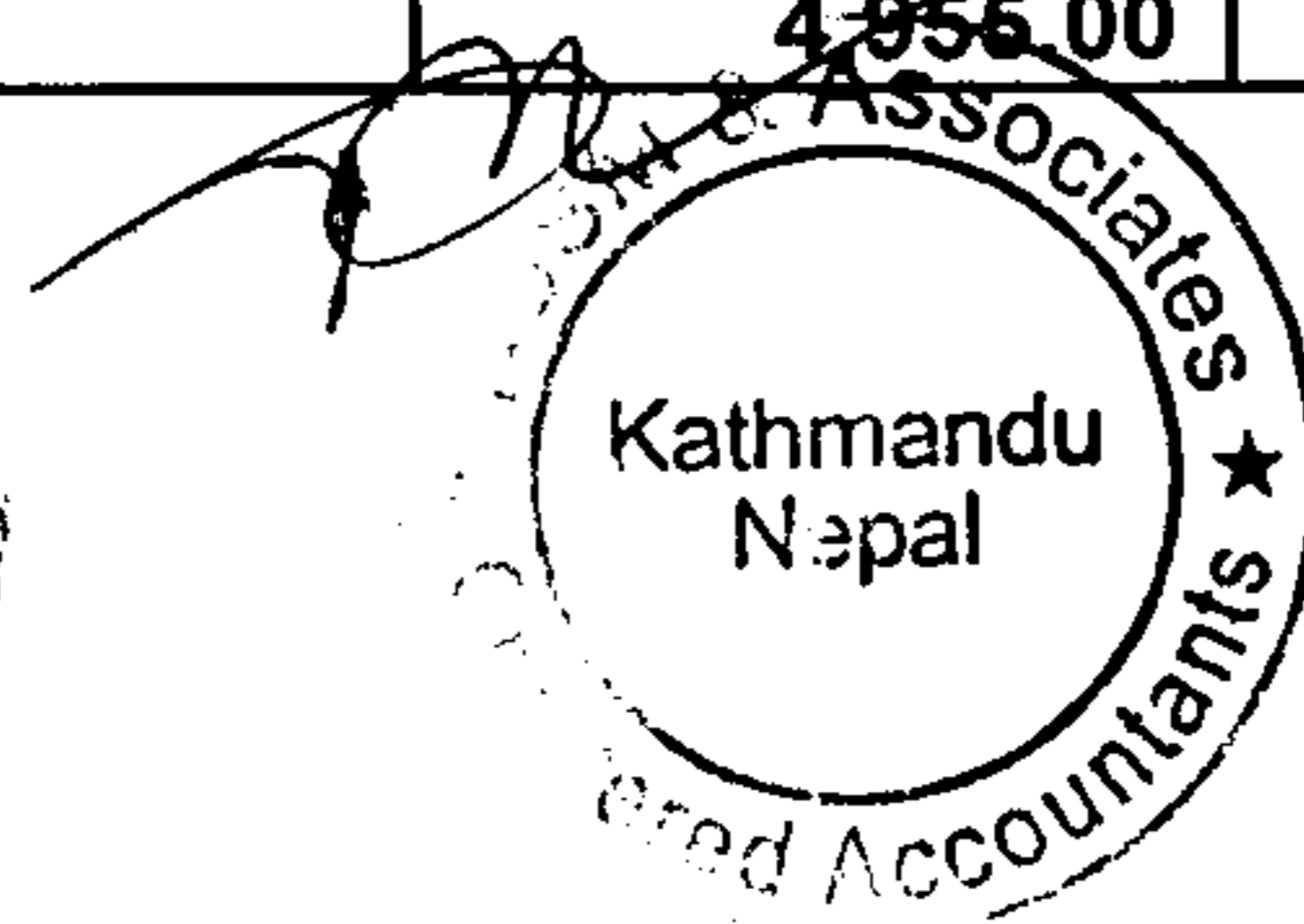
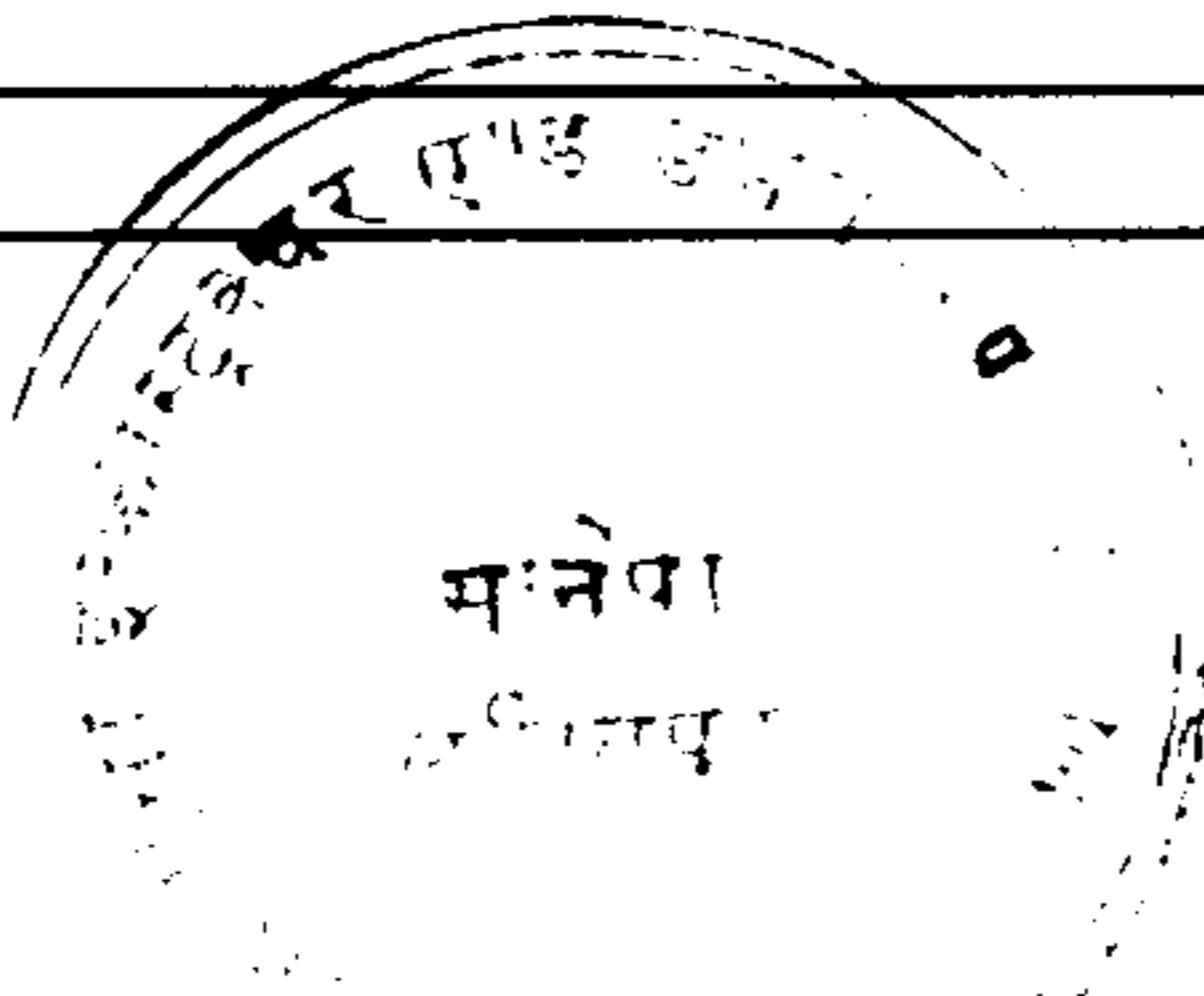
Other Payables

Particulars	Current year	Previous year
T.D.S. Payable	52.50	-
Audit Fee Payable	5,872.50	985.00
	5,925.00	985.00

Schedule -5

Administrative Expenses

Particulars	Current year	Previous year
Audit Fee	4,955.00	1,000.00
	4,955.00	1,000.00



AC Infrastructure & Development Private Limited

Schedules forming part of the Accounts for the year ended March 31, 2010

Schedule - 6

Significant Accounting Policies & Notes to the Accounts

A. Significant Accounting Policies:

1. Accounting Conventions:

The financial statements are prepared under the historical cost conventions on an accrual concept and are in accordance with Nepal Accounting Standards and others as applicable laws prevalent in Nepal.

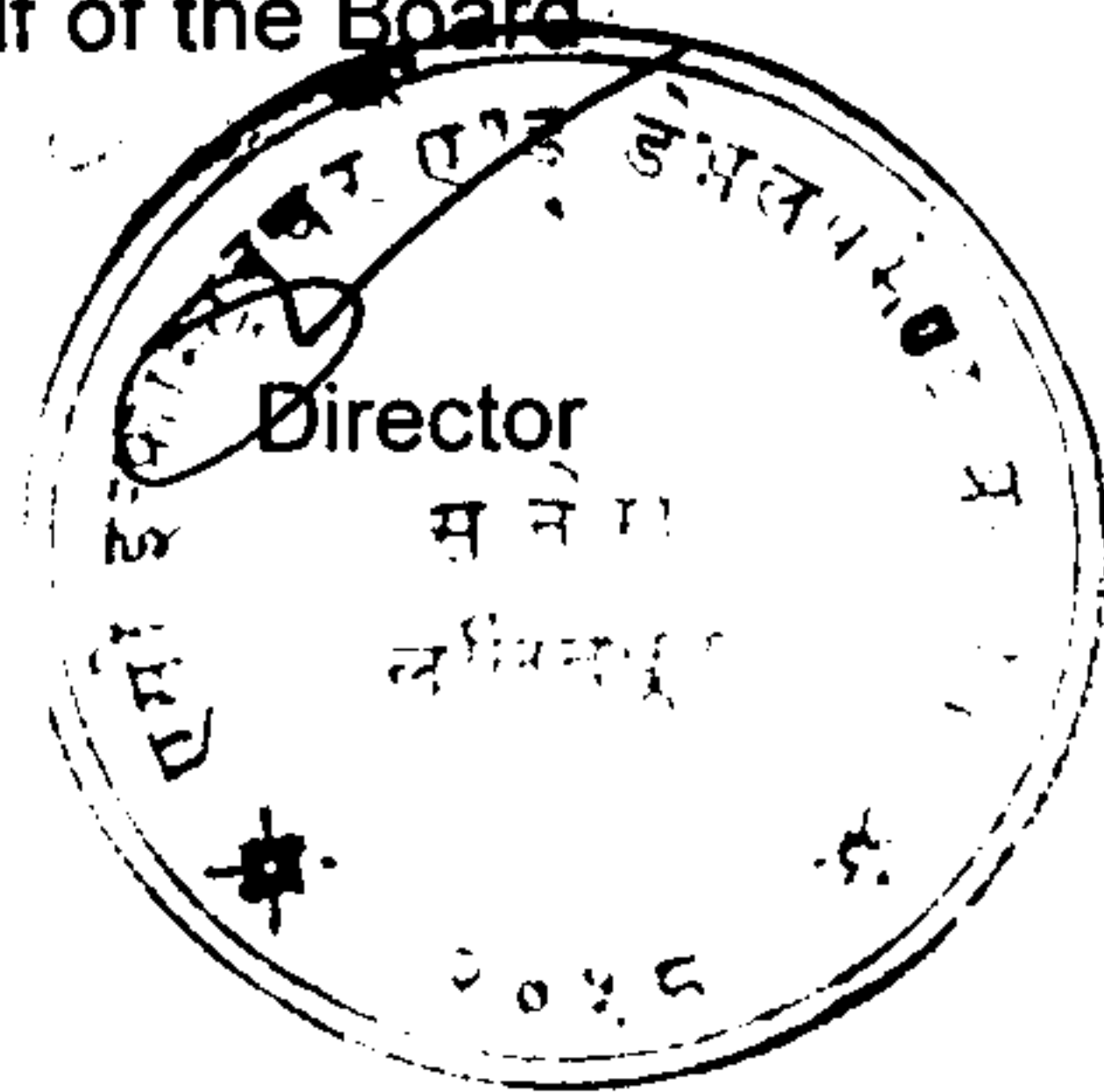
B. Notes to the Accounts :

1. The company's accounts closes on 15th July every year as per Prevalent Laws of Nepal, however, since these accounts are prepared for consolidation with the holding company, whose accounts closes on 31st March, these accounts are prepared for the period from 1st April, 2009 to 31st March, 2010.
2. Previous year's figures have been regrouped/rearranged whenever necessary.
3. Schedules 1 to 6 forms the integral part of Balance Sheet and Profit & Loss Account.

Kathmandu

Date: 03-08-2010

For & On Behalf of the Board



As per our attached report of even date

For NBSM and Associates
Chartered Accountants

Nil Bahadur Sarin, Nagar
Partner

