AUDITORS’ REPORT

The Shareholders,
BNB Securities Ltd,
Thimphu,
Bhutan.

We have audited the attached Balance Sheet of BNB Securities Limited as at 31st December, 2003 and Profit & Loss Account of the Company for the year ended on that date and report as follows:

1. Our examination was made in accordance with the generally accepted auditing standard and accordingly included such tests of accounting records and other auditing procedures, as we considered appropriate for the purpose of our audit.

2. We have obtained all the information and explanations, which to the best of our knowledge and believe were necessary for the purpose of our audit.

3. In our opinion proper books of accounts have been kept by the Company so far as it appears from our examinations of those books.

4. The Company has complied with the various provisions of the Financial Institution Act 1992 and other applicable laws, rules & regulations, systems, procedures and practices except otherwise stated else where in this report.

5. The Balance Sheet and the Profit & Loss Account dealt with by this report have been prepared on the basis of generally accepted accounting principles and are in agreement with the books of account.

The said accounts give the information required by the generally accepted accounting standard and principles, in the manner so required and a true and fair view:

   a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2003 and
   
   b) In case of the Profit & Loss Account of the profit of the Company for the year ended on that date.

DATE : 26.03.2004

PLACE: KOLKATA

For T K GHOSE & CO.
CHARTERED ACCOUNTANTS

Nikhil N. Basu
Partner