



INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To the Members of
M/s LGCL Urban Homes (India) LLP

Report on the Financial Statements

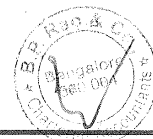
We have audited the accompanying financial statements of **M/s LGCL Urban Homes (India) LLP**, (the "LLP") which comprise the Balance Sheet as at March 31st 2016, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the LLP in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the LLP and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 controls relevant to the LLP's preparation and 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 the accounting policies used and the reasonableness of the accounting estimates made by the 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 and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Limited Liability Partnership Act, 2008 and Limited Liability Partnership Rules, 2009 (as amended) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of Balance Sheet, of the state of affairs of the LLP as at March 31, 2016;
- b) In the case of Profit and loss account, of the **LOSS** for the year ended on that date; and
- c) In the case of Cash Flow statement, of the cash flows for the year ended on that date.

Emphasis of matter

We draw attention to Note 2.21 to the financial statements, the LLP's net worth is fully eroded and has a negative net worth of Rs .18.31 crores as on March 31, 2016, indicating the existence of a material uncertainty that may cause significant doubt on the company's ability to continue as a going concern. Considering the matters set out in the said note, this financial is prepared on a going concern. Our opinion is not qualified in respect of this matter.





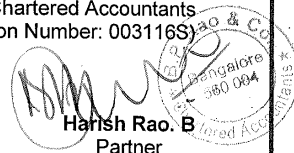
Further, we draw attention to Note 1(g) to the financial statements, in respect of construction projects undertaken by the LLP, we have relied upon the management's estimates of the percentage of completion, costs of completion and on the projections of revenue expected from projects owing to the technical nature of such estimates, on the basis of which profits/losses have been accounted, interest income accrued and realizability of the construction work in progress and project advances determined. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

We report that:

- 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
- In our Opinion, proper books of account as required by law have been kept by the LLP so far as it appears from our examination of those books.
- The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in Agreement with the books of account.
- In our opinion, the aforesaid financial statements comply with the Accounting Standards issued by Institute of Chartered Accountants of India.

for B.P.Rao & Co.,
Chartered Accountants
(Firm's Registration Number: 003116S)



Harish Rao. B.
Partner

(Membership Number: 029500)

Place: Bangalore
Date: 02.09.2016