



AUDITORS REPORT TO THE BOARD OF DIRECTORS OF JAIN IRRIGATION SYSTEMS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JAIN IRRIGATION SYSTEMS LIMITED AND ITS SUBSIDIARIES

- 1) We have examined the attached Consolidated Balance Sheet of JAIN IRRIGATION SYSTEMS LIMITED and its Subsidiaries as at 31st March, 2007, and also the Consolidated Profit and Loss Account and the Cash Flow Statement of the company. These financial statements are the responsibility of the Jain Irrigation Systems Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified reporting framework and are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We believe that our audit provides a reasonable basis for our opinion.
- 3)
 - a) We did not audit the financial statements of subsidiaries whose financial statements reflect total Assets of Rs 7,803.36 million and total Revenues of Rs 3,113.49 million and net cash flows amounting to Rs. 86.45 million for the year then ended and as considered by the Company for the purpose of consolidation, our opinion, so far as it relates to these subsidiaries is based solely on the report of their auditors and further information and explanations provided to us and relied upon by us.
 - b) Statements of subsidiaries which are for 12 months ending June/ December, 2006 were further redrawn by the management of the company, to give effect of significant transactions that occurred between the date of financial statement and the date on which the year of parent company ended.
 - c) In the case of companies acquired during the current financial year Statements of subsidiaries were further drawn by the management of the company, to give effect of significant transactions that occurred between the date of acquisition and the date on which the year of parent company ended
- 4) We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of Jain Irrigation Systems Limited and its Subsidiaries and included in the consolidated financial statements
- 5) On the basis of the information and explanations given to us and on the consideration of the separate audit report on individual audited financial statements of Jain Irrigation Systems Limited and its subsidiaries, read with other notes thereon, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with accounting principles generally accepted in India ;
 - i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiaries as at 31st March, 2007,
 - ii) in the case of the consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the year then ended, and
 - iii) in the case of the Cash Flow statement, of the cash flow of the company for the year ended on that date

For and on behalf of
DALAL & SHAH
Chartered Accountants

SHISHIR DALAL
Partner
Membership No: 37310

Mumbai, 22nd August, 2007