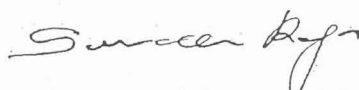


Comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of Mishra Dhatu Nigam Limited, Hyderabad for the year ended 31 March 2007

The preparation of financial statements of Mishra Dhatu Nigam Limited, Hyderabad for the year ended 31 March 2007 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956, based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 30 June 2007.

I on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of Mishra Dhatu Nigam Limited, Hyderabad for the year ended 31 March 2007. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditors and Company personnel and a selective examination of some of the accounting records. In view of the revision made in the financial statements by the management, as a result of my audit observations highlighted during supplementary audit as indicated in the Note No.23 of the Notes forming part of Accounts (Schedule-21), I have no further comments to offer upon or supplement to the Statutory Auditor's revised Report dated 16 August 2007 under Section 619 (4) of the Companies Act.1956.

(For and on the behalf of the Comptroller and Auditor General of India)



Principal Director of Commercial Audit and Ex-officio
Member Audit Board, Hyderabad

Place: Hyderabad
Date: 21-08-2007

G. N. SUNDER RAJA
Principal Director of
Commercial Audit and Ex-Officio Member
Audit Board, A.C.'s Office Complex,
Saifabad, Hyderabad-500 002