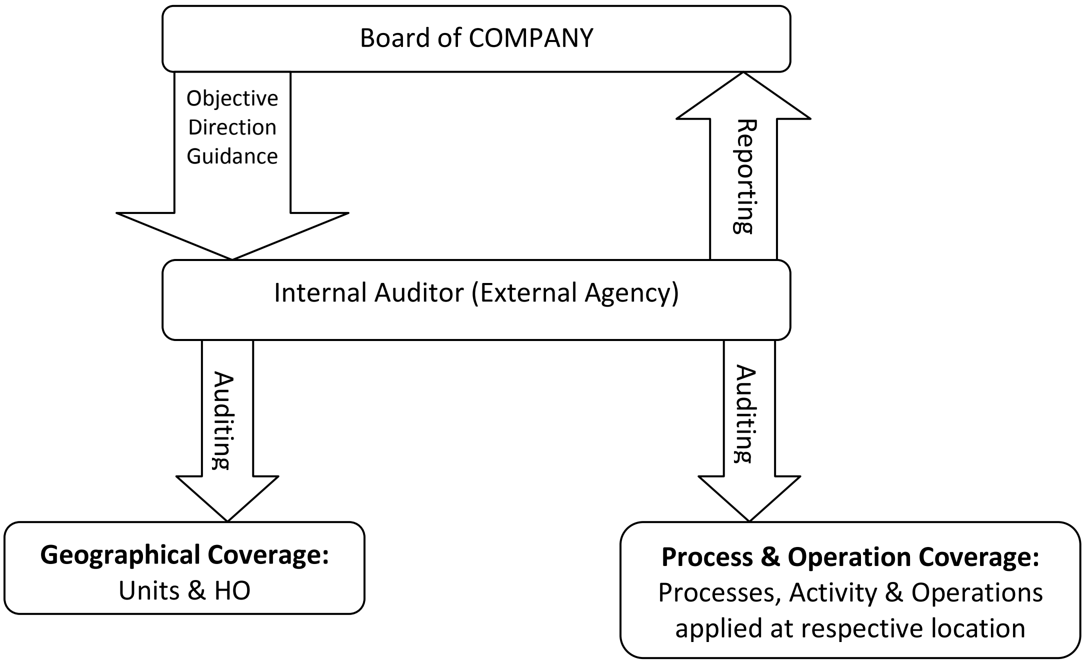
Scope of Internal Audit :

Scope for Internal Audit is As follows

1	Process & Policy Review
2	Auditing of Policy/Best Practice Compliances
3	Auditing of HR Operation
4	Auditing of Business Operation
5	Auditing of Store Operation
6	Auditing of Statutory & Tax Compliances
7	Auditing of Finance & Accounts & Compliances of AS & IGAAP
8	Auditing of Petty Cash Expenses
9	International Taxation Compliances
10	Transaction Verification & Validation
11	Process Verification & Validation of Purchases Made
12	Pending GRN Report
13	Pending Bill Report
14	Open PO Report
15	Vendor Management Auditing
16	Process Verification & Validation of Payment
17	Process Verification & Validation of Receipts
18	Process Verification & Validation of JV
19	Revenue Auditing
20	Reimbursement verification/Advance/Travel Policy/Entertainment/ Local Conveyance/Mobile/Petty Cash Policy Compliance
21	Auditing of Blocked fund
22	Provisioning of Liabilities
23	MIS Review
24	Parties Opposite Balances
25	Salary Accounting and Reconciliation as per Payroll Process Documents
26	Bank Reconciliation
27	List of Effective Cash Payment more than 20000 in a day to single party
28	Physical Verification of Cash & Phase wise Assets & Stores
29	Reconciliation of Intersoftware Record if any
30	Potential Risk Assessment
31	Auditing & Review of Asset Security
32	Review of System Audit & security
33	Auditing of Vehicle Operation & Their Policy
34	Auditing of Maintenance & Workshop Operation

Functioning of Internal Audit :

Internal audit will function under the board's guidance, direction and as per internal audit objective set by the Board. Internal audit will be done by external agency which shall be a CA firm as per ICAI & As per Companies Act Requirement. Internal Auditor will address their report to the board.



Periodicity of Internal Audit:

Periodicity of Internal Audit will be Yearly. Each Year Internal Audit to be done at assigned Units which may be all Units or at specific Units as Board or management decides on time to time basis. In subjected financial year internal auditor will cover all Units which is assigned to him and report to the board Unit wise report. Internal Auditor will plan their audit in such way, so that in subjected financial year all major Units/locations & operations has been covered.

Methodology of Internal Audit :

Methodology of internal audit will be according to the objective set by the COMPANY to achieve the goal set for internal audit function. The point wise methodology is as follows

1. Clear Understanding of objective of COMPANY for Internal Audit
2. Assessment of COMPANY Objective with Required Objective of COMPANY by using firm's experience
3. Finalizing Objectives of COMPANY's Internal Audit
4. Review & Discussion of Internal Audit Scope
5. Freezing of Internal Audit Scope
6. Identifying & Discussing About Key Area & Risk Area and Finalization of Priority Matrix & Planning
7. Audit Staffing/Teaming of Audit Firm's Partner , CA Audit Manager & Sr. Article as per Audit Planning & Priority Matrix
8. Finalization of Audit Calendar for date of start, interim reports & final reports Unit wise
9. Audit Start& Conduction at Units activity/department wise
10. Review of Process & Operation & Identifying the requirement of Policy. Matching the Required Policy and Available Policy.
11. Review of Available Policy and Those processes & operations of which policies are not made, doing audit based on best industry practices method.
12. Auditing of Transactions, Operations & Activity as per Audit Plan.
13. Activity/Department wise query discussion with activity owner/departmental head
14. Exceptional Query raised to high authority in a real time if High ratio involved after Audit Firm's Partner review of risk rating
15. Resolving of queries and Preparing Draft Interim Report
16. Audit Firm's Partner Meeting with Departmental Head on Interim Report and Their Representation Taken
17. Consolidation of All Activity/Department Interim Reports to Consolidated Unit Interim Reports
18. Audit Firm's Partner Discussion of Consolidated Unit Interim Reports with Unit Head (SVP) and Their Representation Taken
19. Issuance of Draft Unit Internal Audit Report to Board & Management for Discussion
20. Discussion between Audit Firm's Partner & Board Made & Incorporation of Board Representation
21. Issuance of Unit's Final Internal Audit Report to BOD.