To
The Board of Directors,
BSN Industries Private Limited

This internal audit report (hereinafter referred to as “report”) has been issued as a part of our engagement for internal audit for the year ended 31st March, 2006, made by the management of M/s BSN Industries Private Limited (‘the Company’) vide the engagement letter produced in Annexure II to this report.

We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Besides, this being an internal audit, it also covers the extensive scope as specified by the management of the company in the engagement letter. The salient points of the scope covered by our internal audit are as follows:

1. The effectiveness of Accounting System and related internal controls
2. The operational efficiency of the Information System and the effectiveness of the related EDP controls (viz. administrative controls, procedural controls, and system controls)
3. Compliance with the legal and statutory requirements

Besides above, our scope of examination also covered the requirements of specific points as spelled out by the statutory auditors of the company. The results and recommendations of our internal audit are set out in Annexure I of this report.

The Statutory Auditors of the Company expresses opinion as to the true and fair view of the financial statements. We have not expressed any opinion on the financial statements and accordingly, this report should not be construed as our opinion on the financial statements.

For **XYZ & Associates,**
Chartered Accountants

(**XYZ**)
Prop./ Partner

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Date:

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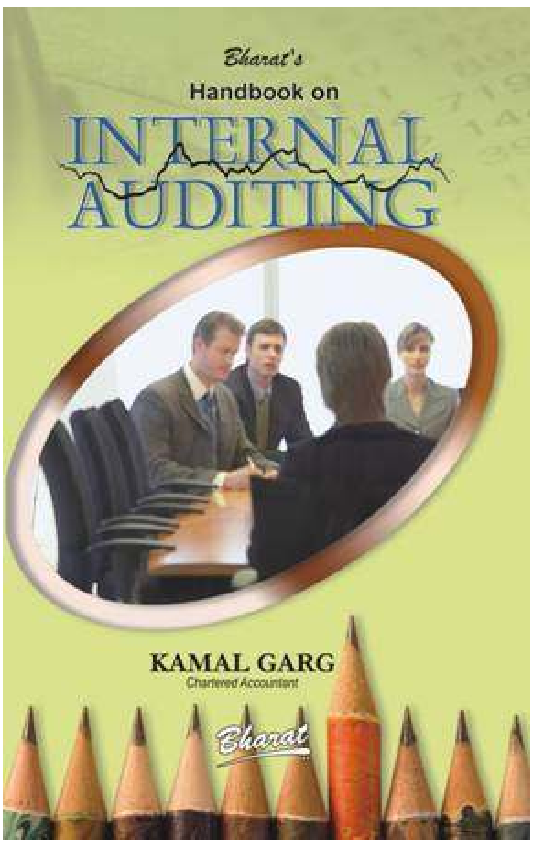

Bharat's

Handbook on

INTERNAL AUDITING

By **Kamal Garg** ▪ 2008 edn. Rs. 595

This book is an attempt to provide a useful coverage of the various aspects of internal auditing. It will be useful for the auditors to streamline their audits in a systematic manner, following the illustrative audit programmes, questionnaires, checklists, reports, etc. Some of the salient features of the book are as under:

- Internal Audit *vis-à-vis* Corporate Governance (like Clause 49 & SOX)
- Specimen Internal Audit Engagement Letter
- Illustrative Internal Audit Programmes
- Specimen Internal Control Questionnaires and Internal Audit Checklists
- Internal Audit Charter
- Specimen Internal Audit Report
- Special purpose Investigations
- Gist of Accounting Standards and Auditing Standards
- Internal Audit Standards
- CARO Checklist
- Specimen Monthly Financial Closing Checklist

Highlights of the Book:

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