

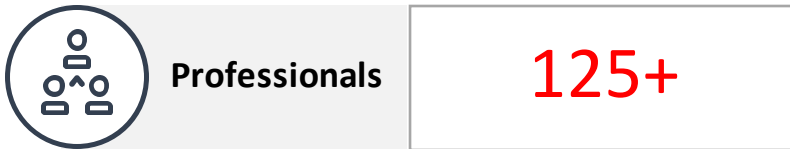
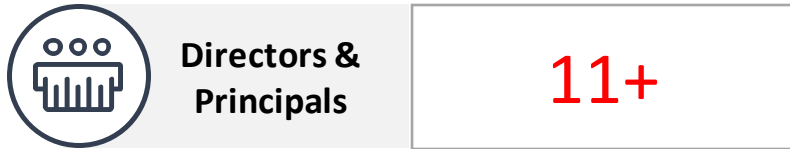


**ACQU****SORY**  
*Your Growth, Our Business*

**Internal Audit Services**

- ✓ **Acquisory** was incorporated in 2010, by highly credentialed and experienced professionals, from PricewaterhouseCoopers, Arthur Andersen and Protiviti.
- ✓ The management team among themselves represent extensive experience in specialized services across M&A Advisory, Investment Banking, Asset Management and Operations & Risk Consulting.
- ✓ We have an appreciation for dynamics of business, operations, transactions and necessary skills to blend practical business & commercial insights with tax & regulatory knowledge to identify effective solutions to all business problems.
- ✓ We partner with our clients through the entire business continuum from identification of the problem, to solution, to implementation.





## OUR FOCUS

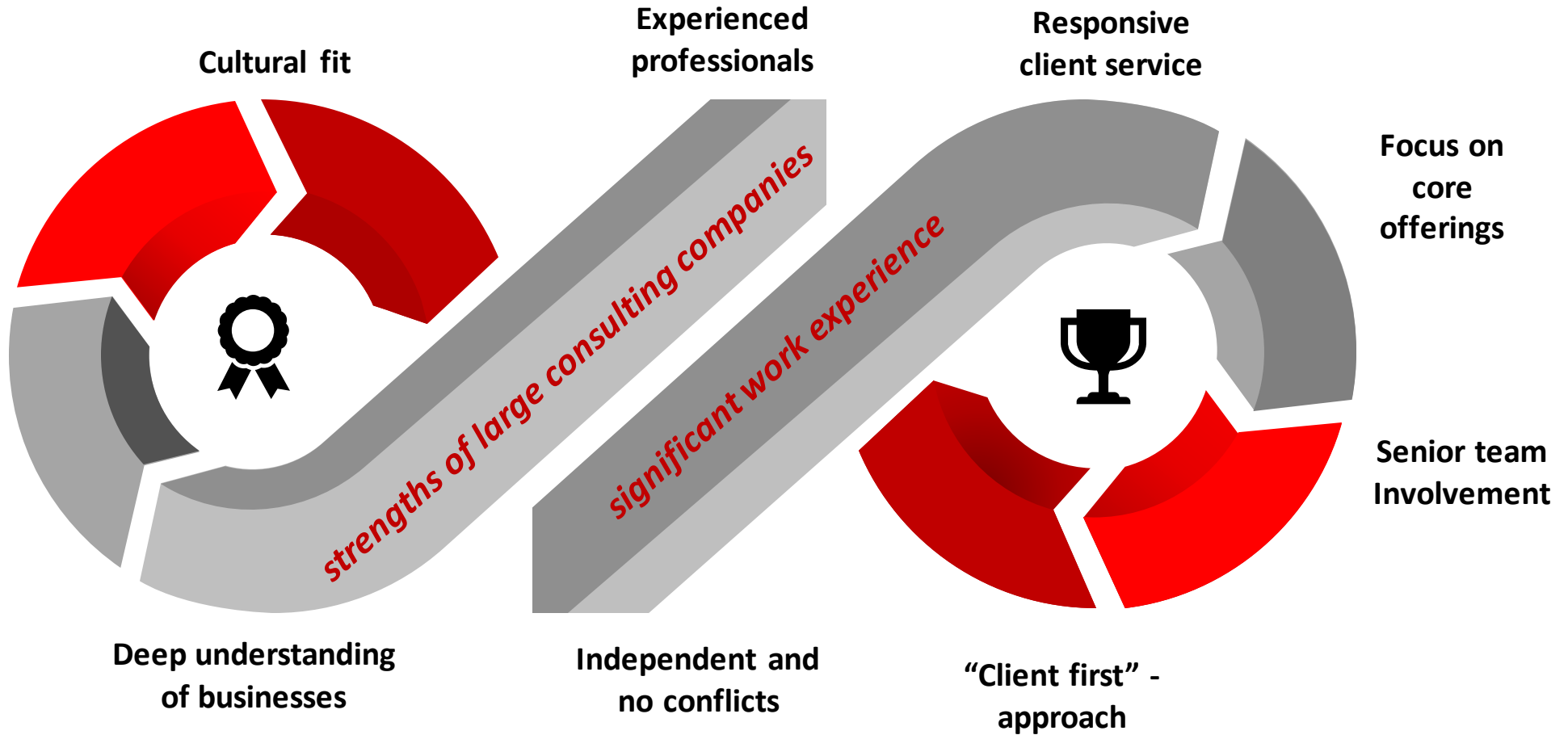
Acquisory assists clients ranging from global enterprises to small and middle market companies that are both publicly held or privately owned, as well as large, mid and small-cap private equity firms, corporate management and boards of directors.

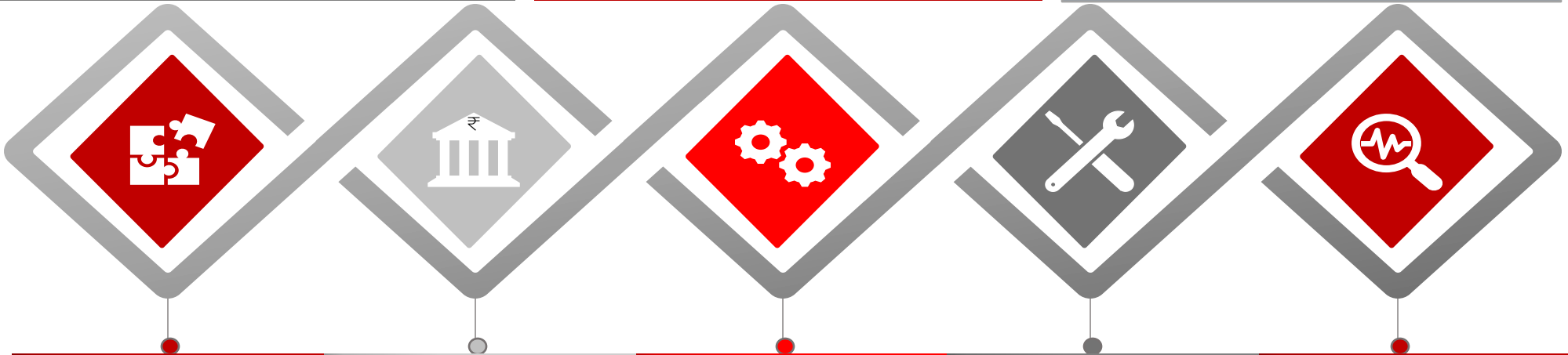
We provide specialist advice for a range of sectors. A personal, partner-led approach, with rich experience have taught us that an understanding of the business, structure and practices of our clients' industries is critical to providing the services our clients' need to reach their goals.

- Real Estate & Infrastructure
- Manufacturing
- Media and Entertainment
- Healthcare and Hospitals
- Hotel, Hospitality and Leisure
- Start-ups
- Private Equity
- Retail
- Telecommunication
- Consumer Products
- Education
- Services



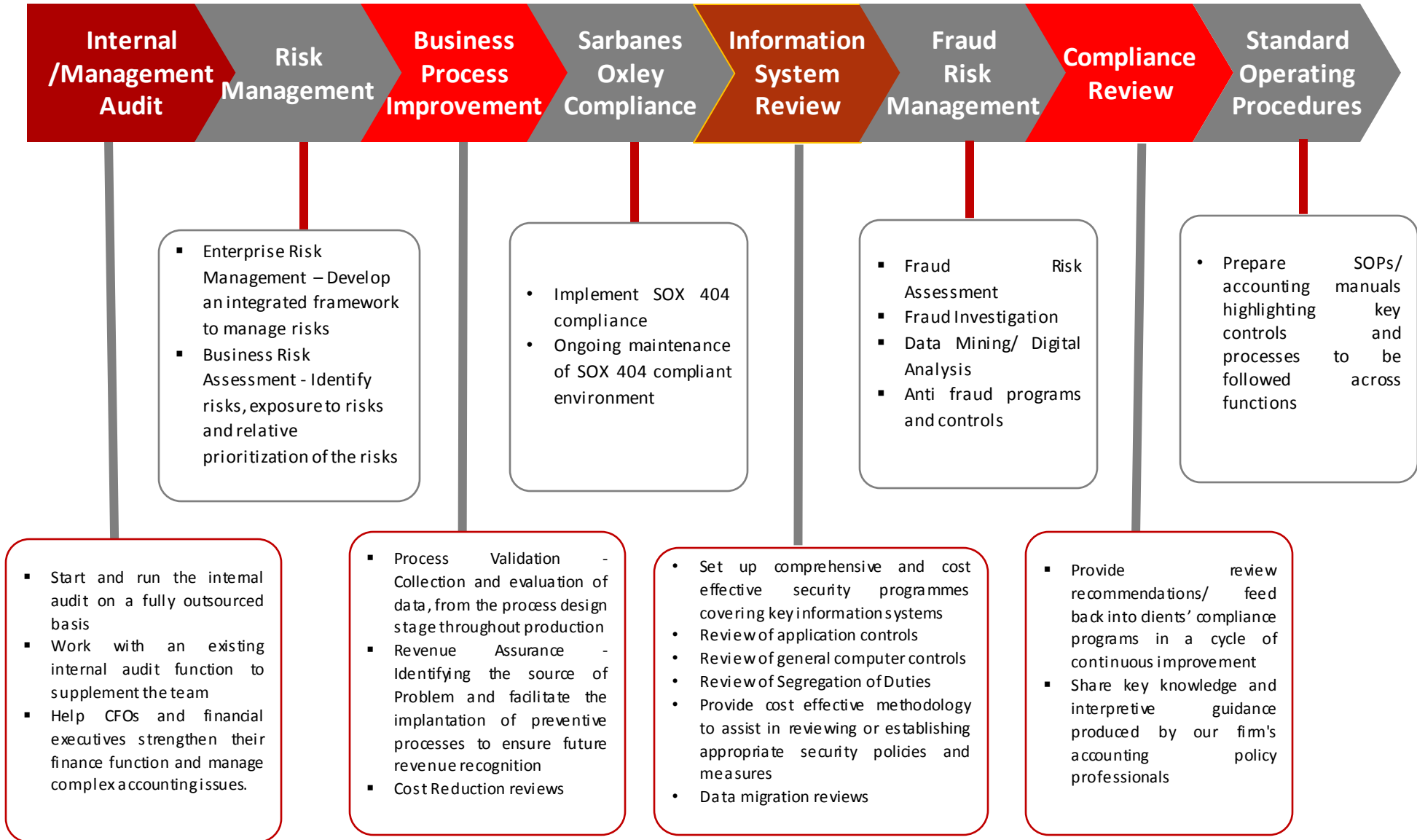
Acquisory fills a unique and valuable position in the market, as depicted below. We bring a unique blend of knowledge and experience to the table which combine the focus, dedication and independence of a boutique firm, with the methodologies & deep skill-sets of the Big 4.

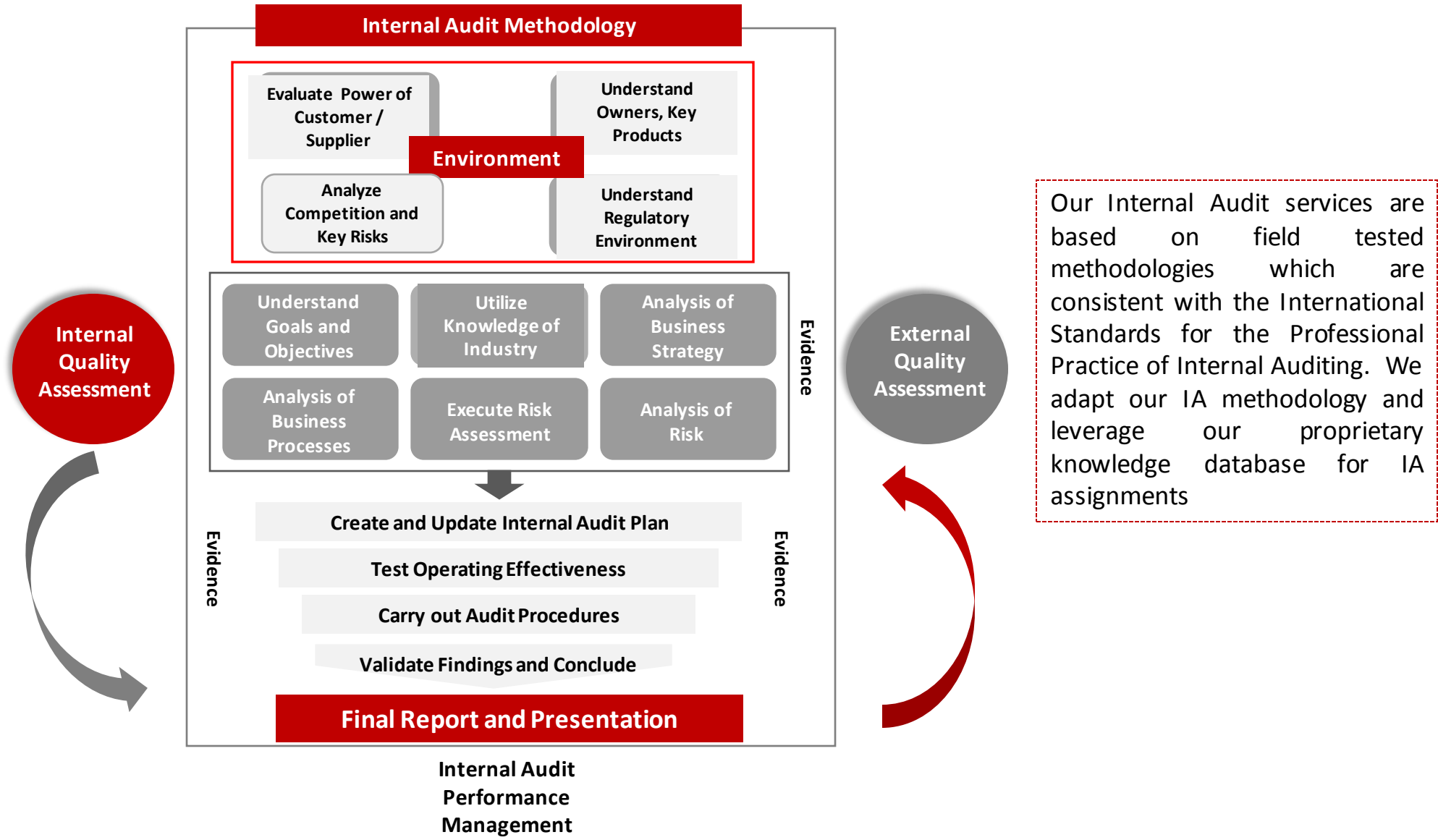




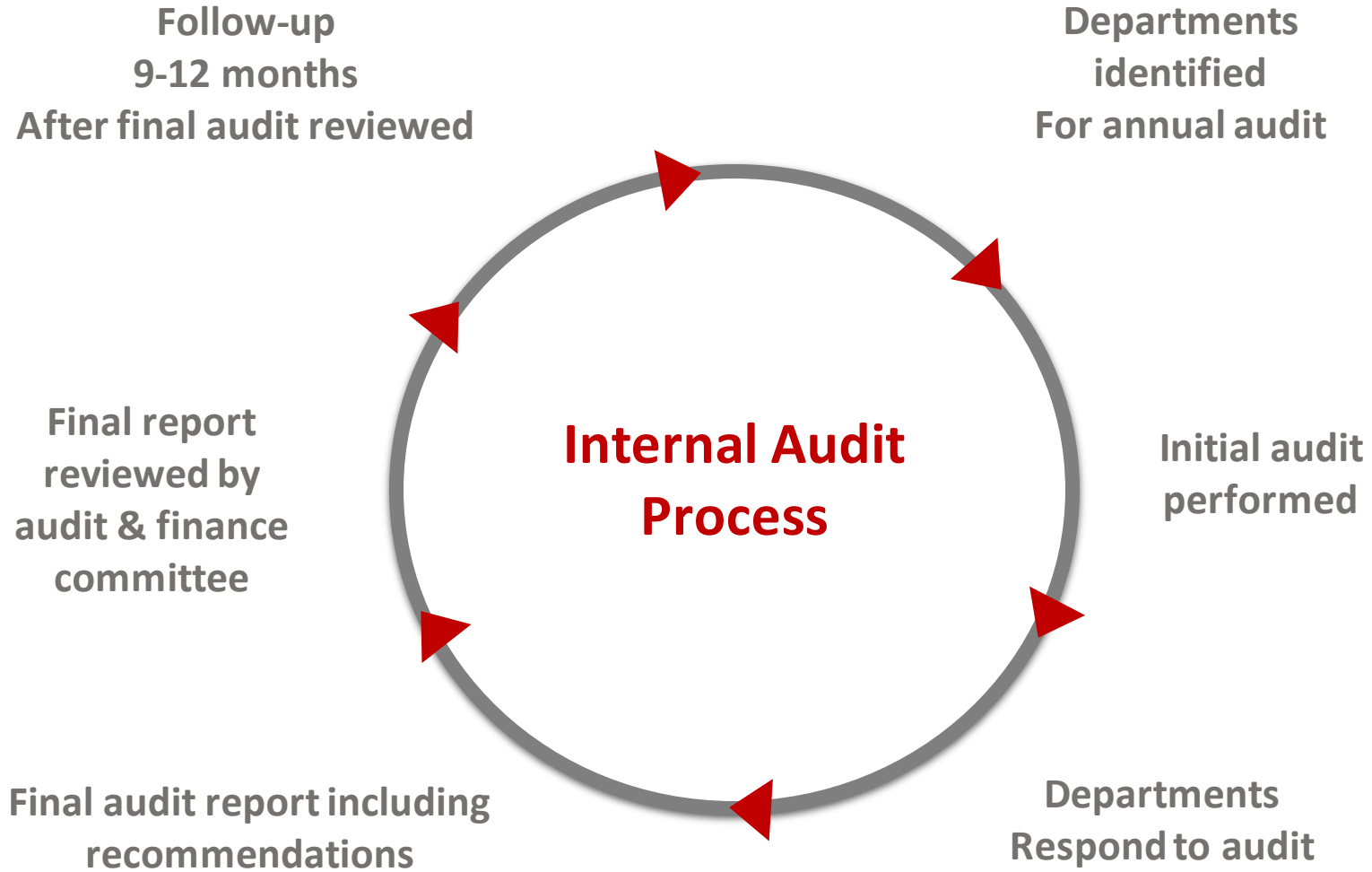
M&A – Lead Advisory	Asset Management	Operations & Risk Consulting	Assurance & Regulatory	IT Risk, Forensics
<ul style="list-style-type: none"> <li>✓ Fund Raising (Debt &amp; Equity)</li> <li>✓ Buy Side / Sell Side advisory</li> <li>✓ Due Diligence</li> <li>✓ Valuation</li> <li>✓ Financial Modelling</li> <li>✓ Corporate Restructuring</li> <li>✓ Deal Structuring / Negotiation</li> <li>✓ M&amp;A Integration</li> </ul>	<ul style="list-style-type: none"> <li>✓ Portfolio Management and Investment Monitoring</li> <li>✓ Strategic Advice</li> <li>✓ Dispute Resolution and litigation Management</li> <li>✓ Exit advice &amp; Maximization of Investors return</li> <li>✓ Asset Management Software</li> </ul>	<ul style="list-style-type: none"> <li>✓ Internal Audit</li> <li>✓ Process Reengineering</li> <li>✓ Cost reduction</li> <li>✓ Working capital Optimization</li> <li>✓ IFC Review</li> <li>✓ Sox Compliance</li> <li>✓ SOP Development</li> </ul>	<ul style="list-style-type: none"> <li>✓ Accounting &amp; Reporting</li> <li>✓ Financial Audits</li> <li>✓ Compliance                             <ul style="list-style-type: none"> <li>✓ Secretarial</li> <li>✓ FEMA</li> </ul> </li> <li>✓ Conversion support towards IFRS, IND AS accounting</li> </ul>	<ul style="list-style-type: none"> <li>✓ Information Security Management Services</li> <li>✓ Forensics</li> <li>✓ Technology Risk Solution</li> <li>✓ Security Risk Management</li> <li>✓ Creative Training Solution</li> </ul>





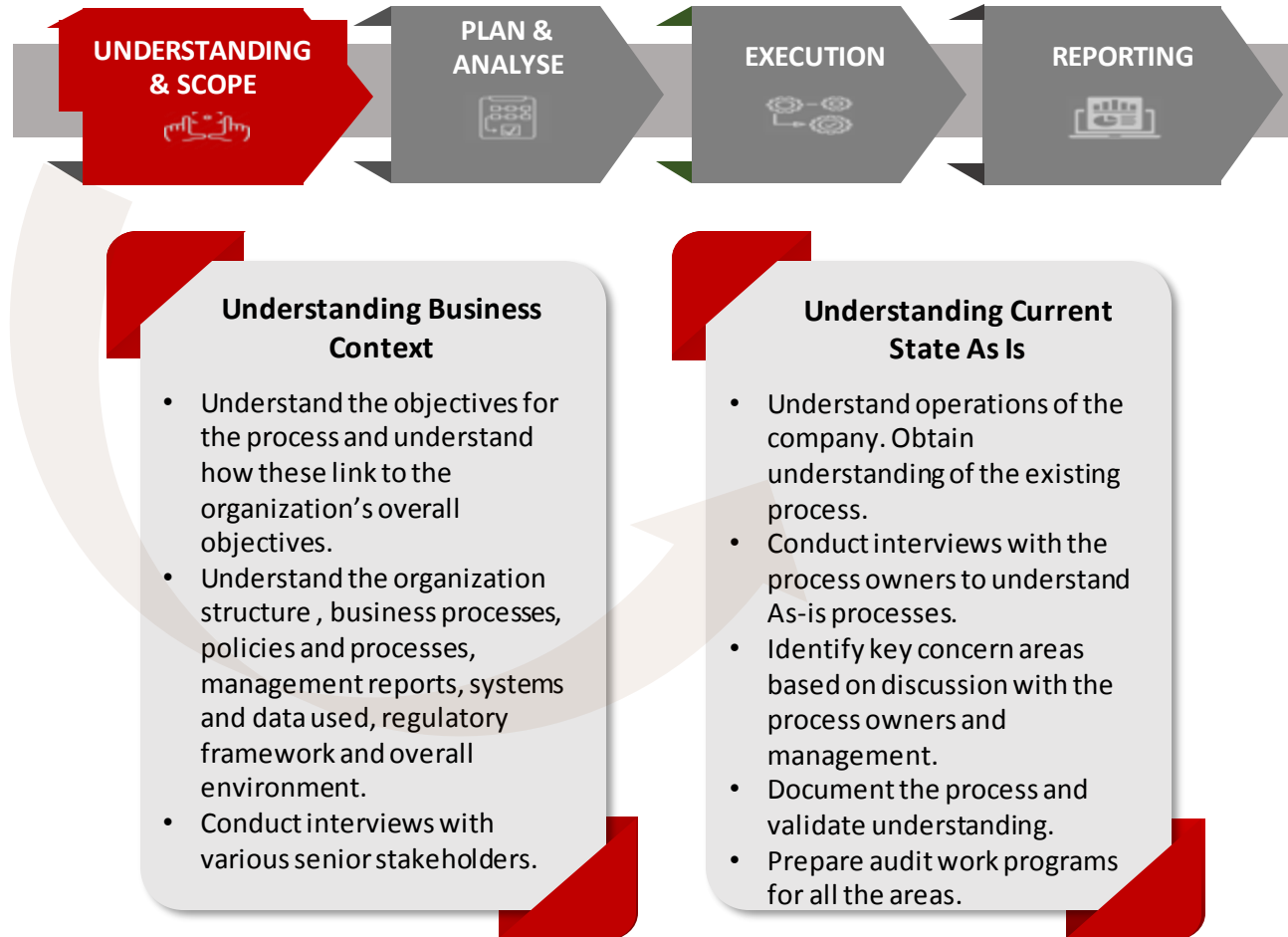


Our Internal Audit services are based on field tested methodologies which are consistent with the International Standards for the Professional Practice of Internal Auditing. We adapt our IA methodology and leverage our proprietary knowledge database for IA assignments

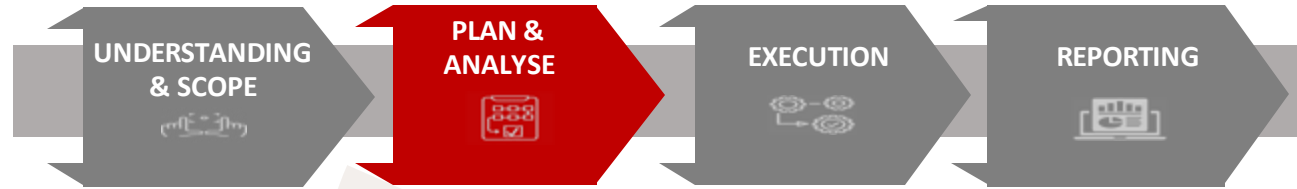




Acquisory provides independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.



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## Formulate Approach and Project Plan

- Create detailed internal project plan.
- Identify preliminary information requirement.
- Clearly identify areas to be covered by MGB and obtain by-in of the management.
- Post identification and prioritizing of areas to be covered develop an audit plan.

## Analyze Process, Risk and Evaluate Control

- Review the processes, identify and source risks associated with the process.
- Prioritize the risks based on likelihood of occurrence & significance of impact.
- Evaluate at inherent and residual risk levels.
- Evaluate design for efficiency and effectiveness.
- Evaluate design for control.

## Analyze Gaps

- Review the process and the risk and benchmark with the leading practices/regulatory standards.
- Identify gaps.
- Prioritize these gaps / weakness with respect to business, relevance and quantify potential business impact of the same.

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### Formulate and Recommend Actions

- Prepare remediation action plan for identified weakness.
- Finalize form and content of presenting recommendations.
- Prepare draft recommendations.
- Evaluate implications of/on business infrastructure and landscape.
- Support recommendations with findings and conclusions.

### Design Solution

- Define remediation plan for gaps.
- Evaluate and select solution option.
- Finalize the solution design with the client.
- Articulate implementation roadmap.

### Formulate Conclusions

- Articulate exceptions and deficiencies.
- Quantify impacts.
- Prioritize exceptions and deficiencies.

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- *We are committed to exceeding Company's expectations for their internal audit department. To do that, we want to ensure we understand your expectations.*
- *We believe that Acquisory can assist the company in meeting their needs using our proven methodologies and frameworks as well our experienced personnel who are familiar with similar assignments.*

#### Finalize Deliverables

- Prepare deliverables
- Review and finalize report / deliverables with client / stake holders.
- Present report to Senior Management, discuss findings and obtain management acceptance and proposed action plan for all.
- Make presentations to the audit committee.

Observation and root cause

Process  System  People

SAMPLE

Department

Rights Assigned

Date

**Deliverables of an internal audit project comprises:**

- An executive summary indicating the issues and the impact of each issue
- A detailed report comprising:
  - Observation along with the impact of the observation to the Company
  - Root causes that led to the observation and the type of root cause
  - Recommendations along with an indication on the ease of implementing the recommendation
  - Management comments along with action plan, responsibility and target date

**ACQUISORY** **Executive Summary (1)**

Overall control environment of the company w.r.t. scope covered and processes under review requires significant improvement in terms of documentation and adherence to defined policies and procedures. During our review we observed minor improvements in all the processes weaknesses or internal audit points highlighted during earlier reviews. Process owners are not taking any initiative towards mitigation plan of highlighted issues, rather they are continuing with the existing processes.

Production : Production is the back bone of any manufacturing business. Weak planning and monitoring of production may lead to significant business and financial loss to the company. Accordingly, it is important to have an structured production process, with requisite controls built into that. We noted significant improvement opportunity in current production process of the company. Key issues include:

S.N.	Process Weakness	Implication	Risk
1	<b>Weak monitoring</b> • Production plan is not updated in excel sheet • Daily plan vs actual production not monitored • Production of stock amount verified for 1 considered as short sales at XXX to XX capacity. Incl vendor, verbal review of the production planning process, we noted following issues: <b>Process Risks:</b> • <b>Manual monthly planning:</b> Currently, monthly production plan is prepared in excel sheet and then uploaded in XXX. The same is not auto populated based on sales scheduled defined in XXX. • <b>Plan vs actual analysis not conducted:</b> We understand that, planned production numbers for the day is agreed in PPC meeting. The planned numbers are not documented in XXX or in excel sheet at respective production lines. Further, plan vs actual analysis of production is not conducted either in XXX, excel or production dash board. • <b>Planned quantity amended to match actual quantity:</b> After actual production during the day, planned quantity in XXX is amended to match with actual production quantity and the same is then confirmed in XXX. Sample XXX screenshot is as below: (Please refer annexure 1.1)		

**ACQUISORY** **1. Process for Production Planning needs to be Strengthened**

Observation and root cause

Process  System  People

**Existing Process:** Monthly sales plan from sales team is received by the IT team, basis which, daily production plan is prepared in excel and uploaded in MRP at the beginning of each month. Daily actual production plan is agreed in daily PPC meeting and displayed on dash board at production floor and monthly production plan is converted in MES. Past actual production, planned orders are converted in MRP and then confirmed in XXX (with actual production quantity).

**Process Risks:**

- **Manual monthly planning:** Currently, monthly production plan is prepared in excel sheet and then uploaded in XXX. The same is not auto populated based on sales scheduled defined in XXX.
- **Plan vs actual analysis not conducted:** We understand that, planned production numbers for the day is agreed in PPC meeting. The planned numbers are not documented in XXX or in excel sheet at respective production lines. Further, plan vs actual analysis of production is not conducted either in XXX, excel or production dash board.
- **Planned quantity amended to match actual quantity:** After actual production during the day, planned quantity in XXX is amended to match with actual production quantity and the same is then confirmed in XXX. Sample XXX screenshot is as below: (Please refer annexure 1.1)

**Risk Category** High

**Implication** Financial  Compliance  Operational

**Recommendation**

**Management Response**



This section provides the risk rating framework for each observation and audit area:

- **Rating Score Matrix** – Each observation will be provided a rating score on the basis of its likelihood and consequence / impact:

Parameters	High	Medium	Low
1. Inappropriate Design of Control or System deficiency	Significant Design Deficiency with no mitigating controls	Significant Design Deficiency with mitigating controls but may' lead to impact	Significant Design Deficiency with mitigating controls but may' lead to impact
2. Non-Compliance to Company's policies or Ineffective operation of control	Significant instances which 'may' lead to financial impact	Numerous which 'may' lead to financial impact	Occasional cases of Non-compliance of policy/control which 'may' lead to financial impact
3. Non-Compliance with Statutory/Regulatory Requirements	<ul style="list-style-type: none"> <li>• Issues impacting quality of product</li> <li>• Specific or general penal provisions involving high financial impact</li> </ul>	Specific penal provisions or general penal provisions with moderate financial impact	Specific penal provisions or general penal provisions with lower financial impact











**Divya Vij**

Qualification - CA  
Experience – 20+ Years

**Krishan Goyal**

Qualification - CA  
Experience – 16+ Years  
Registered Valuers- IBBI

**Kinnari Gandhi**

Qualification – CA  
Experience – 15+ Years

**Puneet Batra**

Qualification - CA  
Experience – 10+ Years

**Jasmine Agarwal**

Qualification - CA  
Experience – 7+ Years

**Chirag Shah**

Qualification - CA  
Experience – 9+ Years

**Rujata Gandhi**

Qualification - CA  
Experience – 2+ Years

# Contact us

*Your Growth, Our Business*

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