

Our ref: EL/31072025/KRISUMI/MGCST

July 31, 2025

Krisumi Corporation Private Limited  
Sector 36A  
Gurgaon, Haryana - 122002

**Confidential and for the kind attention of the management**

Dear Sirs,

**SUBJECT: INTERNAL AUDIT | FOR THE YEAR ENDING MARCH 31, 2026**

We thank you for providing MGC Global Risk Advisory LLP ('MGC Global', 'our Firm', 'us' or referred to as 'we') the opportunity to assist Krisumi Corporation Private Limited ('KCPL' or 'the Company'), through the provision of risk advisory services.

**1. BACKGROUND & CONTEXT**

- 1.1 An enterprising collaboration between Sumitomo Corporation, Japan, and Krishna Group. KCPL has launched the new Krisumi Waterfall Residencies - a mini-Japanese waterfall residency in Gurgaon. The Company uses In4 Suite as its software for recording invoices.
- 1.2 KCPL requires assistance from MGC Global in assisting the Company in accordance with the scope of work that has been detailed in the ensuing section. This letter sets out the terms of reference for this engagement.
- 1.3 The purpose of this letter is to outline the understanding of the activities that will be covered by MGC Global with the terms of our reference for this engagement.

**2. OUR APPROACH AND SCOPE OF WORK**

- 2.1 The scope of our work will entail agreed upon procedures on sample basis as specified below for the period covering from April, 2025 to March, 2026 for KCPL.
- 2.2 Our Firm's approach that we will adopt will be a combination of predictive, analytical and substantive tests, which will include the following:
  - Assess the likelihood and consequences of risks using appropriate risk assessment techniques.
  - Prioritize risks based on their level of severity, potential impact, and likelihood of occurrence.
  - Consider the interdependencies between various risks and their potential cascading effects.
  - The scope of work will entail review of the below mentioned cycles:



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No.	Cycle	Scope of work*
1	Project management (Contracts)	Project conceptualization Master creation Planning and budgeting Tendering and contracts Site mobilization Review of RA bills Safety & security Bill processing Scrap management Project closure
2	Marketing	Project conceptualization and scheme formulation Lead management Master creation & amendments Marketing Events Project launch event
3	Sales & CRM	Customer Master Credit notes Broker management Unit cancellations Transfers Change of payment plans Contract/Agreement with Customers Pricing & Discount Blocking/ booking of units Reconciliation process, if any Demand letters/ dues generation; Invoicing Collection & Account Receivables Collection & banking; Credit notes Possession/ registration of units
4	Finance	General ledger master data creation Automated & manual journal processing Reconciliation of TDS receivable with form 26AS Statement of reconciliation between books of accounts and return filled Provision booking Write off & write back Prepaid & accrual expenses Related party transactions Computation of GST on monthly basis detailing out the input tax credit availed and utilized along with output tax liability MIS preparation TDS on other than salaries Advance from customers and to vendors Vendor balance confirmation Accounting and booking Management of cash & bank Investments Loans & borrowings Physical verification of cash Loans & interest Payment process Bank reconciliation statement Management of foreign exchange, if any



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No.	Cycle	Scope of work*
5	Legal & Compliances	Advance tax Filing of applicable statutory compliances Shop & Establishment Act Monitoring of litigation cases
6	Administration	Vendor selection Expense review Consumption review analysis Material inward Storage of material Invoice verification and upload in ERP
7	Fixed Assets	Creation and approval of purchase requisitions Evaluation and selection of vendors Preparation & maintenance of fixed asset register Creation of purchase orders Acquisition of assets Capitalization of assets Depreciation accounting Amortization of assets Sale & disposal of assets Impairment of assets Physical verification of assets (sample basis) Insurance of assets
8	ICFR Testing	1 time testing of controls at year end.

\* The scope of work indicates testing of transactions on sample basis.

2.3 Our approach for internal audit is described below:

- The role of internal auditors has undergone a pragmatic change over the last few years, with increasing emphasis being given to a risk-based approach to internal audit, in order to provide requisite assurance to management and other stakeholders on the timely mitigation and effective management of risks that can impact the attainment of business objectives. The industry now has come to realize that inherent to each strategy, plan and fresh initiative is the uncertainty of accomplishment of set objectives. This uncertainty requires identification of key risks and a systematic, consistent and periodic validation of internal financial controls.
- Our Firm bases its internal audit approach on the aforesaid and an in-depth understanding of our clients' businesses, strategies, processes and internal control systems. We consider these to be the key means by which we can undertake an effective analysis of the components of the internal controls and consequent risks, to deliver business value to our clients.
- In particular, while undertaking internal audits for the Company, we will focus on the following:
  - Identifying specific risks and anticipating the manner in which they should be treated; &
  - Testing compliance with established processes and operation of controls for a sample of transactions and/or through analysis of business data.
- Our process for reporting will involve the following:
  - Categorizing all our internal audit observations as per their relative materiality. The rating scale will be decided with you, as part of the defined methodology - post completion of our review, an audit rating will be assigned for each cycle that is reviewed
  - Agreement of a reporting structure which meets your needs and expectations, in a format that facilitates the best use of our findings;



- o A formal written summary of our conclusions, validated by your process owners, for each of our internal audit;
- o Reporting to management on the observations, implementation ownership and timelines; &
- o Obtaining management buy-in.

**3. AUDIT CALENDAR & TIMELINES**

3.1 The audit calendar set out below details the scheduled activities and timelines for the financial year 2025-26.

No.	Cycle	FY 2025-26	
		H1	H2
1	Project management (contracts)		
2	Marketing		
3	Sales & CRM		
4	Finance		
5	Legal & Compliances		
6	Administration		
7	Fixed Assets		
8	ICFR review and testing		

3.2 We can commence the engagement on August 01, 2025 and will be able to share the draft report as per the defined schedule:

Particulars	Timelines		
	Mobilization	Draft Report	Final Report
Half yearly 1	Last week of July, 2025	Last week of September, 2025	Within 1 week of discussion with management.
Half yearly 2	Last week of January, 2026	Third week of March, 2026	

3.3 Due to the nature of this assignment, these timeframes are indicative and may vary somewhat, depending on the timely availability of information and time of the representatives of the Company whom you would identify to interact with us.

**4. FEE**

4.1 Our fee is based on our estimate of time required for us to do sound professional work and the level of staff assigned to the engagement. Our fee for this assignment will be as follows:

Description	Amount (in INR)
Conduct of internal audit for half yearly 1 (April, 2025 to Sep, 2025)	5,00,000
Conduct of internal audit for half yearly 1 (Oct, 2025 to Mar, 2026)	5,00,000
<b>Total</b>	<b>10,00,000</b>

The above shall be billed as follows:

Stage of engagement	Half yearly 1	Half yearly 2
Mobilisation fee on commencement	1,25,000	1,25,000
Submission of draft documents	3,50,000	3,50,000
Submission of final documents	25,000	25,000

4.2 The above fee does not include out of pocket expenses and goods & service tax (as per applicable rates). Out-of-pocket costs will be billed based on actual expenses. All our invoices are payable on presentation.



## 5. VERIFICATION

- 5.1 Our approach and scope of work has been set out in section 2 of this engagement letter. We will of course exercise all reasonable and proper skill and attention necessarily required to discharge our duty of care to you within the parameters of that scope of work. However, our work is not designed to investigate nor interrogate for fraud and/or dishonesty (*actual or possible*) and is not costed accordingly.
- 5.2 These services are advisory in nature. Our review will not constitute an audit in accordance with auditing standards and we will carry out no such verification work.

## 6. LIMITATION OF LIABILITY

- 6.1 The liability of the Firm to the addressees of the engagement letter in connection with any report or communication relating to this engagement and/or prepared pursuant to it shall be limited to the proportion of the total damage which may justly and equitably be attributed to gross negligence of the Firm, after taking into account contributory negligence (*if any*) of the Addressees. The aggregate liability of the Firm, for damage/s shall be limited to the amount of the fee received on the assignment, as set out in the engagement letter. Our partners, directors agents and employees or any of them will not have any financial liability to Company for the work done by them on this engagement.
- 6.2 The results of our work will not result in any binding obligation on Company to accept any recommendation/s that may emanate from the observations noted by our team. The Company must assess the impact of the observations/recommendations from our work and take a conscious and independent business decision to implement the same.

## 7. OUR EMPLOYEES

- 7.1 It is agreed that, having regard to our interest in limiting the personal liability and exposure to litigation of employees, it is reiterated that no addressee will bring any claim in respect of any damage against any of our partners, directors and/or employees personally.
- 7.2 Except as may be otherwise agreed in writing between the Company and MGC Global, during the term of this agreement and for twelve (12) months thereafter, the Company shall not offer employment to or employ any person employed by MGC Global then or within the preceding twelve (12) months if such person was involved, directly or indirectly, in the performance of this agreement. Should the Company employ such a person, then MGC Global will be entitled to a placement fee, which shall be the higher of one year's gross compensation of the said person based on the last salary drawn at MGC Global or one year's compensation offered by the Company.

## 8. SCOPE OF LIMITATION OF LIABILITY

- 8.1 The limitation of liability referred to in clause 6.1 of this letter refers to this assignment.

## 9. OWNERSHIP OF BOOKS AND PAPERS

- 9.1 All documents in whatever form, paper, electronic or otherwise such as (*for example, but without being an exhaustive list*) working papers, letters (*including without limitation e-mails*), memoranda, file notes of meetings and telephone calls, draft computations and returns etc and copies of other original documents which we create or which we receive either as principal or in our own right or as agent for you belong to MGC Global. This property will be shared with you, if required from time to time. For the avoidance of doubt, we do not assert such ownership rights to documents such as, for example, original invoices and other original primary accounting records, tax deduction certificates etc. belonging to the Company.

## 10. CONFIDENTIALITY OBLIGATIONS

- 10.1 Notwithstanding anything contained in this agreement, the below terms shall be the confidentiality obligations of the parties:



- (a) For this agreement 'confidential information' shall mean all or any Company's and MGC Global's information whether written in any medium, or, otherwise, which the other party may become privy to and/or come into our possession under this agreement and includes discussions relating to that information whether those discussions occur prior to, concurrent with, or following disclosure of such information be considered as confidential and proprietary information of such party, including the network communication, internet, storage, hardware controls, source code etc. (*hereinafter referred to as the 'confidential information'*).
- (b) Exceptions to non-disclosure obligations | The restrictions of nondisclosure set forth in this section will not apply to any confidential information: (i) after it has become generally available to the public through no fault of the receiving party or its consultants, agents or subcontractors; (ii) that is rightfully in the receiving party's possession before disclosure to the receiving party by the disclosing party; (iii) is independently developed by the receiving party without the developing person(s) having access to the disclosing party's confidential information; or (iv) is received by the receiving party in good faith from a third party not subject to an obligation of confidentiality. In addition, the receiving party may disclose confidential information if required to do so by statute, administrative process or court order, provided that (i) to the extent permitted by law, the receiving party gives the disclosing party sufficient advance notice of such disclosure requirement; (ii) the receiving party cooperates with the disclosing party, at the expense of the disclosing party, in trying to seek a protective order in connection therewith; and (iii) the scope of such disclosure is limited to the extent possible;
- (c) Both parties shall be responsible for maintaining confidentiality regarding the contents of information marked as confidential. Both parties shall cease access to all confidential information promptly on termination of this agreement or on demand at any time during the continuation of this agreement;
- (d) Both parties hereby agree to hold the confidential information in strict confidence and not to disclose or use any confidential information in accordance with this agreement and agree:
- (i) to use it only for the purpose of the engagement covered by this agreement (the 'Purpose');
  - (ii) to limit the disclosure only to our partners, directors, employees ('officials'), who will require access to the confidential information for the Purpose and to the extent that disclosure is necessary for the performance of its obligations hereunder or to its counsellors (*financial and legal*) and/or its lenders (*the "Representatives"*) if necessary, on a need-to-know basis, provided that at all times, such Officials and the Representatives shall be bound by confidentiality obligations similar to this agreement. We shall, at all times, be responsible for all acts of their Officials and Representatives.
  - (iii) to use the same degree of care, but no less than a reasonable degree of care, and take all necessary and reasonable measures to protect and preserve the Confidential Information by exercising the same level of care taken by the party to preserve and safeguard its own confidential information;
  - (iv) to prevent any unauthorized use, disclosure or publication of the confidential Information;
  - (v) to keep any confidential information in separate files, distinct from its own information and documents;
  - (vi) not to permit unauthorized persons to have access to places where the confidential information is kept;
  - (vii) not remove, overprint or deface any notice of copyright, trademark, logo, legend, or other notices of ownership from any originals or copies of the confidential information. Parties will promptly upon discovery notify the other party in writing in the event of any loss or unauthorized disclosure of the confidential information; &
  - (viii) not to reverse engineer, disassemble or decompile any prototypes, software or other tangible objects that embody the confidential information and that are provided to the party under this agreement, except otherwise or unless expressly authorized by the other party in writing.
- (e) The confidential information will not be used in any way directly or indirectly that is detrimental to the party or its affiliates (*it being agreed that those personnel will be informed of the confidential nature of the Confidential Information and will agree to be bound by this agreement*). Both parties agree to be responsible for any breach of this agreement by its Officials and/or Representatives;
- (f) Disclosure of agreement | Each party will be entitled to disclose in its normal course of business the existence and general nature of this agreement (*i.e., that we are providing services to you*), including on our website, in our online news publications and in our annual report, without the consent of the other party, subject to the terms and conditions herein. But neither party will disclose the specific terms or conditions of this agreement or any services performed, or any deliverable set forth in accordance with this agreement to any third party



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without the prior written consent of the other party. Notwithstanding the foregoing, a party may disclose this agreement as follows: (a) as required by law; (b) to its legal counsel; (c) in connection with the enforcement of this agreement; and (d) in confidence to accountants, banks and financing sources (*including shareholders and investors*), and to their advisors. Each such accountant, bank and financing sources shall be subject to confidentiality obligations no less stringent than the terms herein; & both parties shall take reasonable steps to ensure the confidentiality of sensitive information.

#### 11. OUR SERVICES

- 11.1 We will also request you to nominate a 'representative' on a dedicated basis for the duration of the assignment. The satisfactory completion of the fieldwork would be subject to timely and adequate support from the representative. This representative should also be our one-point contact for all query resolution and exception handling and we will rely on his / her decisions.
- 11.2 If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the services you are receiving, please let us know by contacting Monish G Chatrath (*Managing Partner of MGC Global*) at monish.chatrath@mgcglobal.co.in. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you.

#### 12. GOVERNING LAW

- 12.1 This engagement letter shall be governed by and construed in accordance with Indian law and you hereby agree with us to submit for all purposes in connection with this engagement to the exclusive jurisdiction of the Indian courts.

#### 13. ACCEPTANCE OF TERMS

- 13.1 We will appreciate if you could confirm our understanding of your instructions and your agreement to the terms of this letter, by signing and returning a copy of this letter to us.

We look forward to working on this engagement for you.

Yours sincerely

*Sarthak Taneja*  
Sarthak Taneja  
Associate Partner

Terms of engagement acknowledged and agreed by.

Signed.....  
Name: *MANU KUPTA*  
For and on behalf of Krisumi Corporation Private Limited



Date..... *1/8/25*



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