

Bansal & Co. LLP 2023 Transparency Report

Context

This transparency report serves as an important mechanism for us to communicate with investors, audit committee chairs, regulators and other stakeholders, and our aim is to be fair, balanced and understandable.

Article 13 of the EU Audit Regulation (537/2014) came into force on 17 June 2016 and requires the publication of an annual transparency report by audit firms that carry out statutory audits of Public Interest Entities (PIEs). The EU Audit Regulation was incorporated into UK domestic law by Section 3 of the European Union (Withdrawal) Act 2018, a mapping to the requirements of which is provided in Appendix 1.

M Bansal

21 July 2023

Contents

Section 1 -About Us - Legal structure, ownership and governance	Page 3
Network arrangements	Page 3
Section2	
Internal Quality Control System	Page 3
Client acceptance and continuance	Page 4
Performance of audits and Reviews of audit work	Page 4
Rotation and long association	Page 5
External quality assurance reviews	Page 5
Statement of the effectiveness of BCO's system of internal control	Page 6
Statement on the effectiveness of the functioning of the internal quality control system	Page 6
Section 3: Independence practices	Page 6
Section 4: Continuing education	Page 6
Section 5: Revenue and remuneration	Page 7
Financial information	Page 7
Partner remuneration	Page 8
Appendix 1: EU Audit Regulation (537/2014).	Page 9-10

About Us - Legal structure, ownership and governance

Bansal & Co LLP. (established in 1973) is registered as a limited liability partnership and is governed by Limited Liability Partnership Act, 2008 and regulated by Institute of Chartered Accountants of India ('ICAI') established by an Act of Parliament, viz. The Chartered Accountants Act, 1949 (Act No. XXXVIII of 1949) for regulating the profession of Chartered Accountancy in India having its offices in New Delhi, Mumbai and Bhopal.

The Firm has 13 Partners.

The affairs of the Firm is governed by management committee consisting of two designated partners along with six senior partners. The committee holds regular meetings.

Network arrangements

Bansal & Co. LLP is not part of a network.

Section2

Internal Quality Control System

The Firm is having a Quality Control Document whose objective is to provide the firm with reasonable assurance that its personal comply with applicable professional standards as well as the regulatory and legal requirements in addition to the firm's policies in respect of quality and ethics.

The firm is a member of the Institute of chartered accountants of India (ICAI) and is a registered with the public company accounting Oversight board (PCAOB)

The firm has established system of quality control that includes policies and procedures addressing each of the following six elements:

- i. Leadership responsibilities for quality within the firm ,
- ii. Ethical requirements
- iii. Acceptance and continuance of client relationships and specific Engagements.
- iv. Human resources.
- v. Engagement performance and
- vi. Monitoring

The firm 's QC policies and procedures are documented and communicated to all its personal and such communication includes the message the each individual has a personal responsibility for quality and is expected to comply with these policies and procedures in addition , the firm recognizes the importance of obtaining feedback on Its QC system from its personal therefore the firm encourages its personal to Communicate their views or concerns on QC matters.

The results of our internal evaluation and external inspections are evaluated and communicated within the Firm to provide the basis for continual improvement in audit quality, consistent with the highest standards in the profession.

Our management committee has responsibility for the coordination of quality improvement implementation. As such, it reviews the results of the internal evaluation and external audit firm regulatory reviews, as well as any key actions designed to address areas for improvement.

Client acceptance and continuance

The Firm's policy on client and engagement acceptance sets out principles for member firms to determine whether to accept a new client or a new engagement, or to continue with an existing client or engagement.

It is the firm's policy that, for all compilation, review, audit, and attestation engagements, the acceptability of the client and the engagement be evaluated before the firm agrees to provide professional services and that the firm will accept only engagement where it.

- Has considered that integrity of the client and does not have information that would lead it to conclude that the client lacks integrity.
- Is competent to perform the engagement and has the capabilities, time and resources to do so, and
- Can comply with the ethical requirements.

The Firm satisfies this objective, with respect to the initial period for which the Firm is performing its service and other subsequent periods, by establishing and maintain the policies and procedure describe below.

The Firm evaluates factors that have a bearing on managements integrity and considers the risk associated with providing professional services in particular circumstances.

The firm evaluates whether the engagement can be completed with professional competence, undertakes only those engagements for which the firm has the capabilities, resources, and professional competence to complete, and evaluates, at the end of specific periods or upon occurrence of certain events, whether the relationship should be continued.

The firm obtains an understanding with the client regarding the service to be performed.

The firm establishes procedures on withdrawal from an engagement or from both the engagement and the client relationship.

The firm document issues relating to acceptance or continuance of client relationship and specific engagement were resolved.

Performance of audits and Reviews of audit work

The engagements are performed in accordance with professional standards and regulatory and legal requirements, and the firm or the engagement partner issues reports that are appropriate in the circumstances.

Planning for engagement meets professional, regulatory, and the firm's requirements

The engagements is performed, supervised, documented, reported and communicated in accordance with the requirement of professional standards, applicable regulators, and the firm

Qualified engagement team members review work performed by other team members on a timely basis.

Engagement teams complete the assembly of final engagement files on a timely basis

The Firm maintains the confidentiality, safe custody, integrity, accessibility, and retrievability of engagement documentation.

The Firm retains engagement documentation for a period of time sufficient to meet the needs of the firm, professional, laws, and regulations.

The Firm requires that consultation takes place when appropriate; that sufficient and appropriate resources are available to enable appropriate consultation to take place; that all the nature, scope and conclusions of such consultations are documented; and that conclusions resulting from such consultations are implemented.

The Firm deals with and resolves differences of opinion, documents and implements conclusions reached, and does not release the report until the matter is resolved.

The firm has criteria for determining an engagement QC review to be performed to evaluate all engagements against the criteria and complete the review before the report is released.

The firm establishes procedures addressing the nature, timing, extent, and documentation of the engagement QC review.

The Firm establishes criteria for the eligibility of engagement QC reviewers.

Rotation and long association

BCO supports mandatory audit partner rotation to help reinforce auditor independence. BCO supports audit partner rotation because it provides a fresh perspective and promotes independence from company management, while retaining expertise and knowledge

Our firm's policies and local standards require audit partner rotation every five years.

External quality assurance reviews

We had the external quality control review by the peer review board of The Institute of Chartered Accountants of India, a regulatory body for accounting profession in India and by the Quality Review Board, constituted by Government of India. Peer Review of Bansal & Co. LLP has been carried out for the period 2019-2022 pursuant to the Peer Review Guidelines 2022, issued by Council of Institute of Chartered Accountants of India. The certificate is valid from 06 October 2022 and shall remain valid till 31 October 2025, issued at New Delhi.

Statement of the effectiveness of BCO's system of internal control

BCO Partners designated confirm that the Firm has performed a review of the effectiveness of the system of internal control. In addition, we continue with the implementation of Quality Control Standards, which will further enhance our internal quality control system. On the basis of the reviews carried out, the BCO Partners designated is satisfied that the Firms's systems of internal control are operating effectively.

Statement on the effectiveness of the functioning of the internal quality control system

The partners designated confirm that it is satisfied that our internal quality controls and systems are, in general, robust and operate effectively and allow us to readily identify any areas of potential improvement or refinement. We continually seek to improve all aspects of our business and we use the findings of internal reviews and external regulatory reviews to enhance our processes.

Section 3: Independence practices

The Independence policies of Bansal & Co. LLP, Chartered Accountants, the Firm, are designed to ensure that auditing staff are qualified and independent of their audit clients both in fact and in appearance. The Policy document sets forth the restrictions on financial, employment, and business relationships between the Partners and Employees of the Firm and audit client and restrictions on Partners and Employees providing certain non-audit services to an audit client. These policies conform to the Independence policies as defined by Institute of Chartered Accountants of India (ICAI).

This Policy document sets forth the general standard of Independence and their application may depend on particular facts and circumstances.

The Independence Policies are applicable, without exception to all partners and employees of Bansal & Co. LLP

Section 4: Continuing education

The current CPE policy of the Firm as per guidelines of The Institute of Chartered Accountants of India (ICAI) requires at least 90 hours of continuing education and training in block of every 3 years which all partners of our firm complied with. Further, we do have an informal system of educating our staff on a need to need basis on field's audits to keep them abreast with development/changes in legal environment and interaction on the same. We hold weekly training seminars in house to train our staff on recent developments in auditing and accounting standards and our staff and partners participate in webinars of the various institutes i.e. ICAI, PCAOB, IIA.

To meet the high expectations of our clients now and in future, we continuously invest in training of our Partners and staff.

Section 5: Revenue and remuneration

Financial information

Revenue amounts disclosed in this report include revenues from audit and non-audit clients.

Financial information for the period ended on 1 July 2022 expressed in GBP thousands.

Service	FY 22-23		FY21-22	
	Revenue	Percent	Revenue	Percent
Statutory audits and directly related services for PIEs in UK	Nil	-%	Nil	-%
Statutory audits and directly related services for entities whose parent is a PIE in UK	Nil	-%	Nil	-%
Other audit services and directly related services for non-PIEs	508	76%	396	69%
Total audit revenues	508	76%	396	69%
Non-audit services provided to companies we audit	24	4%	8	1%
Total revenues from companies we audit	532	80%	404	70%
Non-audit services provided to other entities	133	20%	172	30%
Total revenue	665	100%	576	100

The financial figures for 2022-2023 are on the basis of unaudited financial statements

Partner remuneration

BCO partners are paid as per Partnership deed and as per Partner performance appraisal carried out every year.

Appendix 1: EU Audit Regulation (537/2014)

Under Article 13 of The EU Audit Regulation (537/2014), subsequently incorporated into UK domestic law by Section 3 of the European Union (Withdrawal) Act 2018, EY UK is required to disclose certain information. The table below shows where these disclosures can be found in this Transparency Report.

Provisions of regulation	Where to find information on how EY UK complies with the regulation.
a. A description of the legal structure and ownership of the statutory auditor, if it is a firm.	Section 1 About Us - Legal structure, ownership and governance
b. Where the statutory auditor is a member of a network:	Network arrangements
i. A description of the network and the legal and structural arrangements in the network.	See (b) above
ii. The name of each member of the network that is eligible for appointment as a statutory auditor, or is eligible for appointment as an auditor in an EEA State or in Gibraltar.	See (b) above
iii. For each of the members of the network identified under paragraph (ii), the countries in which they are eligible for appointment as auditors or in which they have a registered office, central administration or principal place of business.	See (b) above
iv. The total turnover of the members of the network identified under paragraph (ii), resulting from statutory audit work or equivalent work in the EEA States or Gibraltar.	See (b) above
c. A description of the governance structure of the statutory auditor, if it is a firm.	Section 1 About Us - Legal structure, ownership and governance