

Bansal & Co. LLP 2024 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.



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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 14 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 a member of the Institute of chartered accountants of India (ICAI) and is a registered Public accounting firm with the public company accounting Oversight board (PCAOB) And has agreed to establish policies and procedures specific to the firm's public Company governmental audit practice (as defined in the membership requirement)

These policies and procedures are documented and communication by this Document.

This Quality control document is based on ISQM1 & ISQM2

Scope

1. This International Standard on Quality Management (ISQM) deals with a firm's responsibilities to design, implement and operate a system of quality management for audits or reviews of financial statements, or other assurance or related services engagements.
2. Engagement quality reviews form part of the firm's system of quality management and:
 - (a) This ISQM deals with the firm's responsibility to establish policies or procedures addressing

engagements that are required to be subject to engagement quality reviews.

- (b) ISQM 2 deals with the appointment and eligibility of the engagement quality reviewer, and the performance and documentation of the engagement quality review.
3. Other pronouncements of the International Auditing and Assurance Standards Board (IAASB):
- (a) Are premised on the basis that the firm is subject to the ISQMs or to national requirements that are at least as demanding; and
 - (b) Include requirements for engagement partners and other engagement team members regarding quality management at the engagement level. For example, ISA 220 (Revised) deals with the specific responsibilities of the auditor regarding quality management at the engagement level for an audit of financial statements and the related responsibilities of the engagement partner.
4. This ISQM is to be read in conjunction with relevant ethical requirements. Law, regulation or relevant ethical

requirements may establish responsibilities for the firm's management of quality beyond those described in this ISQM.

5. This ISQM applies to all firms performing audits or reviews of financial statements, or other assurance or related services engagements (i.e., if the firm performs any of these engagements, this ISQM applies and the system of quality management that is established in accordance with the requirements of this ISQM enables the consistent performance by the firm of all such engagements).

The Firm's System of Quality Management

6. A system of quality management operates in a continual and iterative manner and is responsive to changes in the nature and circumstances of the firm and its engagements. It also does not operate in a linear manner. However, for the purposes of this ISQM, a system of quality management addresses the following eight components:

- (a) The firm's risk assessment process;
 - (b) Governance and leadership;
 - (c) Relevant ethical requirements;
 - (d) Acceptance and continuance of client relationships and specific engagements;
 - (e) Engagement performance;
 - (f) Resources;
 - (g) Information and communication; and
 - (h) The monitoring and remediation process
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7. This ISQM requires the firm to apply a risk-based approach in designing, implementing and operating the components of the system of quality management in an interconnected and coordinated manner such that the firm proactively manages the quality of engagements performed by the firm.
8. The risk-based approach is embedded in the requirements of this ISQM through:
 - (a) Establishing quality objectives. The quality objectives established by the firm consist of objectives in relation to the components of the system of quality management that are to be achieved by the firm.
 - (b) Identifying and assessing risks to the achievement of the quality objectives (referred to in this standard as quality risks). The firm is required to identify and assess quality risks to provide a basis for the design and implementation of responses.
 - (c) Designing and implementing responses to address the quality risks. The nature, timing and extent of the firm's responses to address the quality risks are based on and are responsive to the reasons for the assessments given to the quality risks.
9. This ISQM requires that, at least annually, the individual(s) assigned ultimate responsibility and accountability for the system of quality management, on behalf of the firm, evaluates the system of quality management and concludes whether the system of quality management provides the firm with reasonable assurance that the objectives of the system, stated in paragraph 14(a) and (b), are being achieved.

Scalability

10. In applying a risk-based approach, the firm is required to take into account:
 - (a) The nature and circumstances of the firm; and
 - (b) The nature and circumstances of the engagements performed by the firm.

Accordingly, the design of the firm's system of quality management, in particular the complexity and formality of the system, will vary. For example, a firm that performs different types of engagements for a wide variety of entities, including audits of financial statements of listed entities, will likely need to have a more complex and formalized system of quality management and supporting documentation, than a firm that performs only reviews of financial statements or compilation engagements.

Service Providers

11. This ISQM addresses the firm's responsibilities when the firm:

- a. Uses resources from a service provider in the system of quality management or in the performance of engagements.

Even when the firm uses resources from service provider, the firm is responsible for its system of quality management.

Authority of this ISQM

12. Paragraph 14 contains the objective of the firm in following this ISQM. This ISQM contains:
 - (a) Requirements designed to enable the firm to meet the objective in paragraph 14;
 - (b) Related guidance in the form of application and other explanatory material;
 - (c) Introductory material that provides context relevant to a proper understanding of this ISQM; and
 - (d) Definitions.

Effective Date

13. Systems of quality management in compliance with this ISQM are required to be designed and implemented by December 15, 2022, and the evaluation of the system of quality management required by paragraphs 53–54 of this ISQM is required to be performed within one year following December 15, 2022.

Objective

14. The objective of the firm is to design, implement and operate a system of quality management for audits or reviews of financial statements, or other assurance or related services engagements performed by the firm, that provides the firm with reasonable assurance that:
 - (a) The firm and its personnel fulfill their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
 - (b) Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.
15. The public interest is served by the consistent performance of quality engagements. The design, implementation and operation of the system of quality management enables the consistent performance of quality engagements by providing the firm with reasonable assurance that the objectives of the system of quality management, stated in paragraph 14(a) and (b), are achieved. Quality engagements are achieved through planning and performing engagements and reporting on them in accordance with professional standards and applicable legal and regulatory requirements. Achieving the objectives of those standards and complying with the requirements of applicable law or regulation involves exercising professional judgment and, when applicable to the type of engagement, exercising professional skepticism.

Applying, and complying with, Relevant Requirements

16. The firm shall comply with each requirement of this ISQM unless the requirement is not relevant to the firm because of the nature and circumstances of the firm or its engagements.
17. The individual(s) assigned ultimate responsibility and accountability for the firm's system of quality management, and the individual(s) assigned operational responsibility for the firm's system of quality management shall have an understanding of this ISQM, including the application and other explanatory

material, to understand the objective of this ISQM and to apply its requirements properly.

System of Quality Management

18. The firm shall design, implement and operate a system of quality management. In doing so, the firm shall exercise professional judgment, taking into account the nature and circumstances of the firm and its engagements. The governance and leadership component of the system of quality management establishes the environment that supports the design, implementation and operation of the system of quality management.

Responsibilities

19. The firm shall assign:
 - (a) Ultimate responsibility and accountability for the system of quality management to the firm's chief executive officer or the firm's managing partner (or equivalent) or, if appropriate, the firm's managing board of partners (or equivalent);
 - (b) Operational responsibility for the system of quality management;
 - (c) Operational responsibility for specific aspects of the system of quality management, including:
 - (i) Compliance with independence requirements; and
 - (ii) The monitoring and remediation process.
20. In assigning the roles in paragraph 19 the firm shall determine that the individual(s):
 - (a) Has the appropriate experience, knowledge, influence and authority within the firm, and sufficient time, to fulfill their assigned responsibility; and
 - (b) Understands their assigned roles and that they are accountable for fulfilling them.
21. The firm shall determine that the individual(s) assigned operational responsibility for the system of quality management, compliance with independence requirements and the monitoring and remediation process, have a direct line of communication to the individual(s) assigned ultimate responsibility and accountability for the system of quality management.

The Firm's Risk Assessment Process

22. The firm shall design and implement a risk assessment process to establish quality objectives, identify and assess quality risks and design and implement responses to address the quality risks.
23. The firm shall establish the quality objectives specified by this ISQM and any additional quality objectives considered necessary by the firm to achieve the objectives of the system of quality management.
24. The firm shall identify and assess quality risks to provide a basis for the design and implementation of responses. In doing so, the firm shall:
 - (a) Obtain an understanding of the conditions, events, circumstances, actions or inactions that may adversely affect the achievement of the quality objectives, including:
 - (i) With respect to the nature and circumstances of the firm, those relating to:
 - a. The complexity and operating characteristics of the firm;
 - b. The strategic and operational decisions and actions, business processes and business model of the firm;
 - c. The characteristics and management style of leadership;
 - d. The resources of the firm, including the resources provided by service providers;
 - e. Law, regulation, professional standards and the environment in which the firm operates; and
 - f. In the case of a firm that belongs to a network, the nature and extent of the network requirements and network services, if any.
 - (ii) With respect to the nature and circumstances of the engagements performed by the firm, those relating to:
 - a. The types of engagements performed by the firm and the reports to be issued; and
 - b. The types of entities for which such engagements are undertaken.
 - (b) Take into account how, and the degree to which, the conditions, events, circumstances, actions or inactions may adversely affect the achievement of the quality objectives.
25. The firm shall design and implement responses to address the quality risks in a manner that is based on, and responsive to, the reasons for the assessments given to the quality risks.
26. The firm shall establish policies or procedures that are designed to identify information that indicates additional quality objectives, or additional or modified quality risks or responses, are needed due to changes in the nature and circumstances of the firm or its engagements. If such information is identified, the firm shall consider the information and when appropriate:
 - (a) Establish additional quality objectives or modify additional quality objectives already established by the firm;

- (b) Identify and assess additional quality risks, modify the quality risks or reassess the quality risks; or
- (c) Design and implement additional responses, or modify the responses.

Governance and Leadership

27. The firm shall establish the following quality objectives that address the firm's governance and leadership, which establishes the environment that supports the system of quality management:
- (a) The firm demonstrates a commitment to quality through a culture that exists throughout the firm, which recognizes and reinforces:
 - (i) The firm's role in serving the public interest by consistently performing quality engagements;
 - (ii) The importance of professional ethics, values and attitudes;
 - (iii) The responsibility of all personnel for quality relating to the performance of engagements or activities within the system of quality management, and their expected behavior; and
 - (iv) The importance of quality in the firm's strategic decisions and actions, including the firm's financial and operational priorities.
 - (b) Leadership is responsible and accountable for quality.
 - (c) Leadership demonstrates a commitment to quality through their actions and behavior
 - (d) The organizational structure and assignment of roles, responsibilities and authority is appropriate to enable the design, implementation and operation of the firm's system of quality management.
 - (e) Resource needs, including financial resources, are planned for and resources are obtained, allocated or assigned in a manner that is consistent with the firm's commitment to quality.

Relevant Ethical Requirements

28. The firm shall establish the following quality objectives that address the fulfillment of responsibilities in accordance with relevant ethical requirements, including those related to independence:
- (a) The firm and its personnel:
 - (i) Understand the relevant ethical requirements to which the firm and the firm's engagements are subject; and
 - (ii) Fulfill their responsibilities in relation to the relevant ethical requirements to which the firm and the firm's engagements are subject.

Acceptance and Continuance of Client Relationships and Specific Engagements

29. The firm shall establish the following quality objectives that address the acceptance and continuance of client relationships and specific engagements:
- (a) Judgments by the firm about whether to accept or continue a client relationship or specific engagement are appropriate based on:
 - (i) Information obtained about the nature and circumstances of the engagement and the integrity and ethical values of the client (including management, and, when appropriate, those charged

with governance) that is sufficient to support such judgments; and

- (ii) The firm's ability to perform the engagement in accordance with professional standards and applicable legal and regulatory requirements.
- (b) The financial and operational priorities of the firm do not lead to inappropriate judgments about whether to accept or continue a client relationship or specific engagement.

Engagement Performance

30. The firm shall establish the following quality objectives that address the performance of quality engagements:
- (a) Engagement teams understand and fulfill their responsibilities in connection with the engagements, including, as applicable, the overall responsibility of engagement partners for managing and achieving quality on the engagement and being sufficiently and appropriately involved throughout the engagement.
 - (b) The nature, timing and extent of direction and supervision of engagement teams and review of the work performed is appropriate based on the nature and circumstances of the engagement and the resources assigned or made available to the engagement teams, and the work performed by less experienced engagement team members is directed, supervised and reviewed by more experienced engagement team members.
 - (c) Engagement teams exercise appropriate professional judgment and, when applicable to the type of engagement, professional skepticism.
 - (d) Consultation on difficult or contentious matters is undertaken and the conclusions agreed are implemented.
 - (e) Differences of opinion within the engagement team, or between the engagement team and the engagement quality reviewer or individuals performing activities within the firm's system of quality management are brought to the attention of the firm and resolved.
 - (f) Engagement documentation is assembled on a timely basis after the date of the engagement report, and is appropriately maintained and retained to meet the needs of the firm and comply with law, regulation, relevant ethical requirements, or professional standards.

Resources

31. The firm shall establish the following quality objectives that address appropriately obtaining, developing, using, maintaining, allocating and assigning resources in a timely manner to enable the design, implementation and operation of the system of quality management:

Human Resources

- (a) Personnel are hired, developed and retained and have the competence and capabilities to:
 - (i) Consistently perform quality engagements, including having knowledge or experience relevant to the engagements the firm performs; or
 - (ii) Perform activities or carry out responsibilities in relation to the operation of the firm's system of quality management.
- (b) Personnel demonstrate a commitment to quality through their actions and behaviors, develop and maintain the appropriate competence to perform their roles, and are held accountable or recognized through timely evaluations, compensation, promotion and other incentives.
- (c) Individuals are obtained from external sources (i.e., the network, another network firm or a service provider) when the firm does not have sufficient or appropriate personnel to enable the operation of firm's system of quality management or performance of engagements.
- (d) Engagement team members are assigned to each engagement, including an engagement partner, who have appropriate competence and capabilities, including being given sufficient time, to consistently perform quality engagements.
- (e) Individuals are assigned to perform activities within the system of quality management who have appropriate competence and capabilities, including sufficient time, to perform such activities.

Technological Resources

- (f) Appropriate technological resources are obtained or developed, implemented, maintained, and used, to enable the operation of the firm's system of quality management and the performance of engagements.

Intellectual Resources

- (g) Appropriate intellectual resources are obtained or developed, implemented, maintained, and used, to enable the operation of the firm's system of quality management and the consistent performance of quality engagements, and such intellectual resources are consistent with professional standards and applicable legal and regulatory requirements, where applicable.

Service Providers

- (h) Human, technological or intellectual resources from service providers are appropriate for use in the firm's system of quality management and in the performance of engagements, taking into account the quality objectives.

Information and Communication

32. The firm shall establish the following quality objectives that address obtaining, generating or using information regarding the system of quality management, and communicating information within the firm and to external parties on a timely basis to enable the design, implementation and operation of the system of quality management:
- (a) The information system identifies, captures, processes and maintains relevant and reliable information that supports the system of quality management, whether from internal or external sources.
 - (b) The culture of the firm recognizes and reinforces the responsibility of personnel to exchange information with the firm and with one another.
 - (c) Relevant and reliable information is exchanged throughout the firm and with engagement teams, including:
 - (i) Information is communicated to personnel and engagement teams, and the nature, timing and extent of the information is sufficient to enable them to understand and carry out their responsibilities relating to performing activities within the system of quality management or engagements; and
 - (ii) Personnel and engagement teams communicate information to the firm when performing activities within the system of quality management or engagements.
 - (d) Relevant and reliable information is communicated to external parties, including:
 - (i) Information is communicated by the firm to or within the firm's network or to service providers, if any, enabling the network or service providers to fulfill their responsibilities relating to the network requirements or network services or resources provided by them; and
 - (ii) Information is communicated externally when required by law, regulation or professional standards, or to support external parties' understanding of the system of quality management.

Specified Responses

33. In designing and implementing responses, the firm shall include the following responses:
- (a) The firm establishes policies or procedures for:
 - (i) Identifying, evaluating and addressing threats to compliance with the relevant ethical requirements; and
 - (ii) Identifying, communicating, evaluating and reporting of any breaches of the relevant ethical requirements and appropriately responding to the causes and consequences of the breaches in a timely manner.
 - (b) The firm obtains, at least annually, a documented confirmation of compliance with independence requirements from all personnel required by relevant ethical requirements to be independent.
 - (c) The firm establishes policies or procedures for receiving, investigating and resolving complaints and allegations about failures to perform work in accordance with professional

standards and applicable legal and regulatory requirements, or non-compliance with the firm's policies or procedures established in accordance with this ISQM.

- (d) The firm establishes policies or procedures that address circumstances when:
 - (i) The firm becomes aware of information subsequent to accepting or continuing a client relationship or specific engagement that would have caused it to decline the client relationship or specific engagement had that information been known prior to accepting or continuing the client relationship or specific engagement; or
 - (ii) The firm is obligated by law or regulation to accept a client relationship or specific engagement.
- (e) The firm establishes policies or procedures that:
 - (i) Require communication with those charged with governance when performing an audit of financial statements of listed entities about how the system of quality management supports the consistent performance of quality audit engagements;
 - (ii) Address when it is otherwise appropriate to communicate with external parties about the firm's system of quality management; and
 - (iii) Address the information to be provided when communicating externally, including the nature, timing and extent and appropriate form of communication.
- (f) The firm establishes policies or procedures that address engagement quality reviews in accordance with ISQM 2, and require an engagement quality review for:
 - (i) Audits of financial statements of listed entities;
 - (ii) Audits or other engagements for which an engagement quality review is required by law or regulation; and
 - (iii) Audits or other engagements for which the firm determines that an engagement quality review is an appropriate response to address one or more quality risk(s).

Monitoring and Remediation Process

- 34. The firm shall establish a monitoring and remediation process to:
 - (a) Provide relevant, reliable and timely information about the design, implementation and operation of the system of quality management.
 - (b) Take appropriate actions to respond to identified deficiencies such that deficiencies are remediated on a timely basis.

Designing and Performing Monitoring Activities

- 35. The firm shall design and perform monitoring activities to provide a basis for the identification of deficiencies.
- 36. In determining the nature, timing and extent of the monitoring activities, the firm shall take into account:

- (a) The reasons for the assessments given to the quality risks;
 - (b) The design of the responses;
 - (c) The design of the firm's risk assessment process and monitoring and remediation process;
 - (d) Changes in the system of quality management;
 - (e) The results of previous monitoring activities, whether previous monitoring activities continue to be relevant in evaluating the firm's system of quality management and whether remedial actions to address previously identified deficiencies were effective; and
 - (f) Other relevant information, including complaints and allegations about failures to perform work in accordance with professional standards and applicable legal and regulatory requirements or non-compliance with the firm's policies or procedures established in accordance with this ISQM, information from external inspections and information from service providers.
37. The firm shall include the inspection of completed engagements in its monitoring activities and shall determine which engagements and engagement partners to select. In doing so, the firm shall;
- (a) Consider the nature, timing and extent of other monitoring activities undertaken by the firm and the engagements and engagement partners subject to such monitoring activities; and
 - (b) Select at least one completed engagement for each engagement partner on a cyclical basis determined by the firm.
38. The firm shall establish policies or procedures that:
- (a) Require the individuals performing the monitoring activities to have the competence and capabilities, including sufficient time, to perform the monitoring activities effectively; and
 - (b) Address the objectivity of the individuals performing the monitoring activities. Such policies or procedures shall prohibit the engagement team members or the engagement quality reviewer of an engagement from performing any inspection of that engagement.

Evaluating Findings and Identifying Deficiencies

39. The firm shall evaluate findings to determine whether deficiencies exist, including in the monitoring and remediation process.

Evaluating Identified Deficiencies

40. The firm shall evaluate the severity and pervasiveness of identified deficiencies by:
- (a) Investigating the root cause(s) of the identified deficiencies. In determining the nature, timing and extent of the procedures to investigate the root cause(s), the firm shall take into account the nature of the identified deficiencies and their possible severity.

- (b) Evaluating the effect of the identified deficiencies, individually and in aggregate, on the system of quality management.

Responding to Identified Deficiencies

- 41. The firm shall design and implement remedial actions to address identified deficiencies that are responsive to the results of the root cause analysis.
- 42. The individual(s) assigned operational responsibility for the monitoring and remediation process shall evaluate whether the remedial actions:
 - (a) Are appropriately designed to address the identified deficiencies and their related root cause(s) and determine that they have been implemented; and
 - (b) Implemented to address previously identified deficiencies are effective.
- 43. If the evaluation indicates that the remedial actions are not appropriately designed and implemented or are not effective, the individual(s) assigned operational responsibility for the monitoring and remediation process shall take appropriate action to determine that the remedial actions are appropriately modified such that they are effective.

Findings About a Particular Engagement

- 44. The firm shall respond to circumstances when findings indicate that there is an engagement(s) for which procedures required were omitted during the performance of the engagement(s) or the report issued may be inappropriate. The firm's response shall include:
 - (a) Taking appropriate action to comply with relevant professional standards and applicable legal and regulatory requirements; and
 - (b) When the report is considered to be inappropriate, considering the implications and taking appropriate action, including considering whether to obtain legal advice.

Ongoing Communication Related to Monitoring and Remediation

- 45. The individual(s) assigned operational responsibility for the monitoring and remediation process shall communicate on a timely basis to the individual(s) assigned ultimate responsibility and accountability for the system of quality management and the individual(s) assigned operational responsibility for the system of quality management:
 - (a) A description of the monitoring activities performed;
 - (b) The identified deficiencies, including the severity and pervasiveness of such deficiencies; and
 - (c) The remedial actions to address the identified deficiencies.
- 46. The firm shall communicate the matters described in paragraph 46 to engagement teams and other individuals assigned activities within the system of quality management to enable them to take prompt and appropriate action in accordance with their responsibilities.

Evaluating the System of Quality Management

47. The individual(s) assigned ultimate responsibility and accountability for the system of quality management shall evaluate, on behalf of the firm, the system of quality management. The evaluation shall be undertaken as of a point in time, and performed at least annually.
48. Based on the evaluation, the individual(s) assigned ultimate responsibility and accountability for the system of quality management shall conclude, on behalf of the firm, one of the following:
 - (a) The system of quality management provides the firm with reasonable assurance that the objectives of the system of quality management are being achieved
 - (b) Except for matters related to identified deficiencies that have a severe but not pervasive effect on the design, implementation and operation of the system of quality management, the system of quality management provides the firm with reasonable assurance that the objectives of the system of quality management are being achieved; or
 - (c) The system of quality management does not provide the firm with reasonable assurance that the objectives of the system of quality management are being achieved.
49. If the individual(s) assigned ultimate responsibility and accountability for the system of quality management reaches the conclusion, the firm shall:
 - (a) Take prompt and appropriate action; and
 - (b) Communicate to:
 - (i) Engagement teams and other individuals assigned activities within the system of quality management to the extent that it is relevant to their responsibilities; and
 - (ii) External parties in accordance with the firm's policies or procedures.
50. The firm shall undertake periodic performance evaluations of the individual(s) assigned ultimate responsibility and accountability for the system of quality management, and the individual(s) assigned operational responsibility for the system of quality management. In doing so, the firm shall take into account the evaluation of the system of quality management.

Documentation

51. The firm shall prepare documentation of its system of quality management that is sufficient to:
 - (a) Support a consistent understanding of the system of quality management by personnel, including an understanding of their roles and responsibilities with respect to the system of quality management and the performance of engagements;
 - (b) Support the consistent implementation and operation of the responses; and
 - (c) Provide evidence of the design, implementation and operation of the responses, to support the evaluation of the system of quality management by the individual(s) assigned ultimate responsibility and accountability for the system of quality management.

52. In preparing documentation, the firm shall include:
 - (a) The identification of the individual(s) assigned ultimate responsibility and accountability for the system of quality management and operational responsibility for the system of quality management;
 - (b) The firm's quality objectives and quality risks;
 - (c) A description of the responses and how the firm's responses address the quality risks;
 - (d) Regarding the monitoring and remediation process:
 - (i) Evidence of the monitoring activities performed;
 - (ii) The evaluation of findings, and identified deficiencies and their related root cause(s);
 - (iii) Remedial actions to address identified deficiencies and the evaluation of the design and implementation of such remedial actions; and
 - (iv) Communications about monitoring and remediation; and
 - (e) The basis for the conclusion reached.

The firm shall establish a period of time for the retention of documentation for the system of quality management that is sufficient to enable the firm to monitor the design, implementation and operation of the firm's system of quality management

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 31 March 2024 expressed in GBP thousands.

Service	FY 22-23		FY23-24	
	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%	475	53.5%
Total audit revenues	508	76%	475	53.5%
Non-audit services provided to companies we audit	24	4%	303	34%
Total revenues from companies we audit	532	80%	778	87.5%
Non-audit services provided to other entities	133	20%	112	12.5%
Total revenue	665	100%	890	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

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

to disclose certain information. The table below shows where these disclosures can be found in this Transparency Report.

d. A description of the internal quality control system of the statutory auditor and a statement by the management body on the effectiveness of its functioning.	Section 2: Internal quality control system
e. An indication of when the last quality assurance review referred to in Article 26 was carried out.	External quality assurance reviews
f. A list of public interest entities for which the statutory auditor carried out statutory audits during the preceding financial year.	BCO did not carry out audit of UK PIEs during FY 22-23
g. A statement concerning the statutory auditor's independence practices which also confirms that an internal review of independence compliance has been conducted.	Section 3: Independence practices
h. A statement on the policy followed by the statutory auditor concerning the continuing education of statutory auditors referred to in paragraph 11 of Schedule 10 to the Companies Act 2006.	Section 4: Continuing education
i. Information concerning the basis for the remuneration of members of the management body of the statutory auditor, where that statutory auditor is a firm.	Section 5: Revenue and remuneration
j. A description of the statutory auditor's policy concerning the rotation of key audit partners and staff in accordance with Article 17(7).	Section 2: Rotation and long association
k. Where not disclosed in its accounts, information about the total turnover of the statutory auditor, divided into the following categories:	Section 5: Revenue and remuneration