

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.



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

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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- 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

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;

- 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.

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

- (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.

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.

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.

Provisions of regulation	Where to find information on how EY UK complies with the regulation.
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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.

was carried out.	
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