2024 Inspection Bansal & Co LLP

(Headquartered in New Delhi, India)

February 27, 2025

<u>THIS IS A PUBLIC VERSION OF A PCAOB INSPECTION REPORT</u>

PORTIONS OF THE COMPLETE REPORT ARE OMITTED FROM THIS DOCUMENT IN ORDER TO COMPLY WITH SECTIONS 104(g)(2) AND 105(b)(5)(A) OF THE SARBANES-OXLEY ACT OF 2002

PCAOB RELEASE NO. 104-2025-041

PCAOB PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD

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2024 INSPECTION

In the 2024 inspection of Bansal & Co LLP (formerly Bansal & Co), the Public Company Accounting Oversight Board (PCAOB) assessed the firm's compliance with laws, rules, and professional standards applicable to the audits of public companies.

We selected for review two audits of issuers, one with a fiscal year ending in 2023 and one with a fiscal year ending in 2022. For each issuer audit selected, we reviewed a portion of the audit. We also evaluated elements of the firm's system of quality control.

2024 Inspection Approach

In selecting issuer audits for review, we use a risk-based method of selection. We make selections based on (1) our internal evaluation of audits we believe have a heightened risk of material misstatement, including those with challenging audit areas, and (2) other risk-based characteristics, including issuer and firm considerations. In certain situations, we may select all of the firm's issuer audits for review.

When we review an audit, we do not review every aspect of the audit. Rather, we generally focus our attention on audit areas we believe to be of greater complexity, areas of greater significance or with a heightened risk of material misstatement to the issuer's financial statements, and areas of recurring deficiencies. We may also select some audit areas for review in a manner designed to incorporate unpredictability.

Our selection of audits for review does not necessarily constitute a representative sample of the firm's total population of issuer audits. Additionally, our inspection findings are specific to the particular portions of the issuer audits reviewed. They are not an assessment of all of the firm's audit work or of all of the audit procedures performed for the audits reviewed.

View the details on the scope of our inspections and our inspections procedures.

OVERVIEW OF THE 2024 INSPECTION

The following information provides an overview of our 2024 inspection. We use a risk-based method to select audits for review and to identify areas on which we focus our review. Because our inspection process evolves over time, it can, and often does, focus on a different mix of audits and audit areas from inspection to inspection and firm to firm. Further, a firm's business, the applicable auditing standards, or other factors can change from the time of one inspection to the next. As a result of these variations, we caution that our inspection results are not necessarily comparable over time or among firms.

Firm Data and Audits Selected for Review

	2024
Firm data	
Total issuer audit clients in which the firm was the principal auditor	2
Total issuer audits in which the firm was not the principal auditor	0
Total engagement partners on issuer audit work[1]	1
Audits reviewed	
Total audits reviewed	2
Audits in which the firm was the principal auditor	2
Integrated audits of financial statements and internal control over financial reporting (ICFR)	0
Audits with Part I.A deficiencies	2
Percentage of audits with Part I.A deficiencies	100%

If we include a deficiency in Part I.A of our report, it does not necessarily mean that the firm has not addressed the deficiency. In many cases, the firm has performed remedial actions after the deficiency was identified. Depending on the circumstances, remedial actions may include performing additional audit procedures, informing management of the issuer of the need for changes to the financial statements or reporting on ICFR, or taking steps to prevent reliance on prior audit reports.

[1] The number of engagement partners on issuer audit work represents the total number of firm personnel (not necessarily limited to personnel with an ownership interest) who had primary responsibility for an issuer audit (as defined in AS 1201, *Supervision of the Audit Engagement*) or for the firm's role in an issuer audit during the twelve-month period preceding the outset of the inspection.

Our inspection may include a review, on a sample basis, of the adequacy of a firm's remedial actions, either with respect to previously identified deficiencies or deficiencies identified during the current inspection. If a firm does not take appropriate actions to address deficiencies, we may criticize its system of quality control or pursue a disciplinary action.

If we include a deficiency in our report — other than those deficiencies for audits with incorrect opinions on the financial statements and/or ICFR — it does not necessarily mean that the issuer's financial statements are materially misstated or that undisclosed material weaknesses in ICFR exist. It is often not possible for us to reach a conclusion on those points based on our inspection procedures and related findings because, for example, we have only the information that the auditor retained and the issuer's public disclosures. We do not have direct access to the issuer's management, underlying books and records, and other information.

Audit Areas Most Frequently Reviewed

This table reflects the audit areas we have selected most frequently for review in the 2024 inspection. For the issuer audits selected for review, we selected these areas because they were generally significant to the issuer's financial statements, may have included complex issues for auditors, and/or involved complex judgments in (1) estimating and auditing the reported value of related accounts and disclosures and (2) implementing and auditing the related controls.

2024	
Audit area	**Audits reviewed**
Revenue and related accounts	2
Cash and cash equivalents	1
Goodwill and intangible assets	1
Equity and equity-related transactions	1
Going concern	1

PART I: INSPECTION OBSERVATIONS

Part I.A of our report discusses deficiencies, if any, that were of such significance that we believe the firm, at the time it issued its audit report(s), had not obtained sufficient appropriate audit evidence to support its opinion(s) on the issuer's financial statements and/or ICFR.

Part I.B discusses certain deficiencies, if any, that relate to instances of non-compliance with PCAOB standards or rules other than those where the firm had not obtained sufficient appropriate audit evidence to support its opinion(s). This section does not discuss instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence.

Part I.C discusses instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules, if any, related to maintaining independence.

Consistent with the Sarbanes-Oxley Act ("Act"), it is the Board's assessment that nothing in Part I of this report deals with a criticism of, or potential defect in, the firm's quality control system. We discuss any such criticisms or potential defects in Part II. Further, you should not infer from any Part I deficiency, or combination of deficiencies, that we identified a quality control finding in Part II. Section 104(g)(2) of the Act restricts us from publicly disclosing Part II deficiencies unless the firm does not address the criticisms or potential defects to the Board's satisfaction no later than 12 months after the issuance of this report.

Classification of Audits with Part I.A Deficiencies

Within Part I.A of this report, we classify each issuer audit in one of the categories discussed below based on the Part I.A deficiency or deficiencies identified in our review.

The purpose of this classification system is to group and present issuer audits by the number of Part I.A deficiencies we identified within the audit as well as to highlight audits with an incorrect opinion on the financial statements and/or ICFR.

Audits with an Incorrect Opinion on the Financial Statements and/or ICFR

This classification includes instances where a deficiency was identified in connection with our inspection and, as a result, an issuer's financial statements were determined to be materially misstated, and the issuer restated its financial statements. It also includes instances where a deficiency was identified in connection with our inspection and, as a result, an issuer's ICFR was determined to be ineffective, or there were additional material weaknesses that the firm did not identify, and the firm withdrew its opinion, or revised its report, on ICFR.

This classification does not include instances where, unrelated to our review, an issuer restated its financial statements and/or an issuer's ICFR was determined to be ineffective. We include any deficiencies identified in connection with our reviews of these audits in the audits with multiple deficiencies or audits with a single deficiency classification below.

Audits with Multiple Deficiencies

This classification includes instances where multiple deficiencies were identified that related to a combination of one or more financial statement accounts, disclosures, and/or important controls in an ICFR audit.

Audits with a Single Deficiency

This classification includes instances where a single deficiency was identified that related to a financial statement account or disclosure or to an important control in an ICFR audit.

PART I.A: AUDITS WITH UNSUPPORTED OPINIONS

This section of our report discusses the deficiencies identified, by specific issuer audit reviewed, in the audit work supporting the firm's opinion on the issuer's financial statements.

We identify each issuer by a letter (e.g., Issuer A) and industry sector. Each deficiency could relate to several auditing standards, but we reference the PCAOB standard that most directly relates to the requirement with which the firm did not comply.

We present issuer audits below within their respective deficiency classifications (as discussed previously). Within the classifications, we generally present the audits based on our assessment as to the relative significance of the identified deficiencies, taking into account the significance of the financial statement accounts and/or disclosures affected, and/or the nature or extent of the deficiencies.

Audits with an Incorrect Opinion on the Financial Statements and/or ICFR

None

Audits with Multiple Deficiencies

Issuer A – Information Technology

Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement audit related to **Revenue**, **Goodwill and Intangible Assets**, and **Journal Entries**.

Description of the deficiencies identified

With respect to **Revenue**, for which the firm identified a fraud risk:

The firm did not perform any substantive procedures to evaluate whether the issuer met the revenue recognition criteria prior to recognizing revenue. (AS 2301.08 and .13)

With respect to **Goodwill and Intangible Assets**:

The firm did not evaluate whether the issuer's accounting for and disclosures related to goodwill and certain intangible assets were in conformity with GAAP. (AS 2301.08)

With respect to **Journal Entries**, for which the firm identified a fraud risk:

The firm did not perform any procedures to identify and select journal entries and other adjustments for testing to address the potential for material misstatement due to fraud. (AS 2401.58)

Issuer B – Information Technology

Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement audit related to **Revenue**, **Equity-Related Transactions**, and **Journal Entries**.

Description of the deficiencies identified

With respect to **Revenue**, for which the firm identified a fraud risk:

The firm did not perform any substantive procedures to evaluate whether the issuer met the revenue recognition criteria prior to recognizing revenue. (AS 2301.08 and .13)

With respect to **Equity-Related Transactions**:

The firm did not perform procedures to evaluate whether the issuer had a reasonable basis for the significant assumptions used to estimate the fair value of the issuer's common stock issued in various share-based transactions, beyond obtaining and reading certain issuer-prepared documents. (AS 2501.16)

With respect to **Journal Entries**, for which the firm identified a fraud risk:

The firm did not perform any procedures to identify and select journal entries and other adjustments for testing to address the potential for material misstatement due to fraud. (AS 2401.58)

Audits with a Single Deficiency

None

PART I.B: OTHER INSTANCES OF NON-COMPLIANCE WITH PCAOB STANDARDS OR RULES

This section of our report discusses certain deficiencies that relate to instances of non-compliance with PCAOB standards or rules other than those where the firm had not obtained sufficient appropriate audit evidence to support its opinion(s). This section does not discuss instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence.

When we review an audit, we do not review every aspect of the audit. As a result, the areas below were not necessarily reviewed on every audit. In some cases, we assess the firm's compliance with specific PCAOB standards or rules on other audits that were not reviewed and include any instances of non-compliance below.

The deficiencies below are presented in numerical order based on the PCAOB standard or rule with which the firm did not comply. We identified the following deficiencies:

- In the two audits reviewed, the work papers did not contain sufficient information to enable an experienced auditor, having no previous connection with the engagement, to understand all of the procedures performed by the engagement quality reviewer. In these instances, the documentation of the engagement quality review was non-compliant with AS 1220, *Engagement Quality Review*.

- In one of two audits reviewed, the firm did not establish an understanding of the terms of the audit engagement with the audit committee and determine that the audit committee acknowledged and agreed to the terms of the engagement. In this instance, the firm was non-compliant with AS 1301, *Communications with Audit Committees*.

- In one of two audits reviewed, the firm did not inquire of the audit committee about whether it was aware of matters relevant to the audit, including, but not limited to, violations or possible violations of laws or regulations. In this instance, the firm was non-compliant with AS 1301, *Communications with Audit Committees.*

- In the two audits reviewed, the firm did not make certain required communications to the audit committee related to (1) an overview of the audit strategy; and (2) the results of the audit. In these instances, the firm was non-compliant with AS 1301, *Communications with Audit Committees*.

- In the two audits reviewed, the firm did not perform procedures to determine whether all individuals who participated in the audit were in compliance with independence requirements. In these instances, the firm was non-compliant with AS 2101, *Audit Planning*.

- In one of two audits reviewed, the firm did not inquire of the audit committee, management, and others within the company about the risks of material misstatement, including fraud risks. In this instance, the firm was non-compliant with AS 2110, *Identifying and Assessing Risks of Material Misstatement*.

- In one of two audits reviewed, the firm did not make certain required communications to the audit committee related to its evaluation of the issuer's identification of, accounting for, and disclosure of its relationships and transactions with related parties. In this instance, the firm was non-compliant with AS 2410, *Related Parties*.

- In the two audits reviewed, the engagement team did not perform any procedures to comply with the requirements related to critical audit matters. In these instances, the firm was non-compliant with AS 3101, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*. These instances of non-compliance do not necessarily mean that critical audit matters should have been communicated in the auditor's report.

- In one audit, the firm's audit report did not include explanatory language about the firm's responsibilities with respect to ICFR in a non-integrated audit. In this instance, the firm was non-compliant with AS 3105, *Departures from Unqualified Opinions and Other Reporting Circumstances*.

- In one audit, the firm did not file its report on Form AP by the relevant deadline. In this instance, the firm was non-compliant with PCAOB Rule 3211, *Auditor Reporting of Certain Audit Participants*.

- In one of two audits reviewed, the firm did not provide the audit committee the required independence communications. In this instance, the firm was non-compliant with PCAOB Rule 3526, *Communication with Audit Committees Concerning Independence*.

PART I.C: INDEPENDENCE

This section of our report discusses instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence. An instance of potential non-compliance with SEC rules or an instance of non-compliance with PCAOB rules does not necessarily mean that the Board has concluded the firm was not objective and impartial throughout the audit and professional engagement period. Although this section includes an instance of potential non-compliance that we identified, there may be other instances of non-compliance with SEC or PCAOB rules related to independence that were not identified through our procedures or the firm's monitoring activities.

PCAOB-Identified

We identified the following instances of potential non-compliance with SEC rules related to maintaining independence:

Under Rule 2-01(c)(7) of Regulation S-X, an accountant is not independent if it is engaged to render audit or non-audit services to an issuer or its subsidiaries without that engagement having been pre-approved by the audit committee. In two audits reviewed, we identified one instance for one issuer in which the firm could provide no persuasive evidence of the necessary audit committee pre-approval.

Firm-Identified

The firm did not bring to our attention any instances of potential non-compliance with SEC rules or instances of non-compliance with PCAOB rules related to maintaining independence.

While the firm did not bring to our attention any instances of potential non-compliance, the number, large or small, of firm-identified instances of potential non-compliance may be reflective of the size of the firm, including the number of associated firms; the design and effectiveness of the firm's independence monitoring activities; and the size and/or complexity of the issuers it audits, including the number of affiliates of those issuers. Therefore, we caution against making any comparison of firm-identified instances of potential non-compliance across firms.

PART II: OBSERVATIONS RELATED TO QUALITY CONTROL

Part II of our report discusses criticisms of, and potential defects in, the firm's system of quality control.

We include deficiencies in Part II if an analysis of the inspection results, including the results of the reviews of individual audits, indicates that the firm's system of quality control does not provide reasonable assurance that firm personnel will comply with applicable professional standards and requirements. Generally, the report's description of quality control criticisms is based on observations from our inspection procedures.

This report does not reflect changes or improvements to the firm's system of quality control that the firm may have made subsequent to the period covered by our inspection. The Board does consider such changes or improvements in assessing whether the firm has satisfactorily addressed the quality control criticisms or defects no later than 12 months after the issuance of this report.

When we issue our reports, we do not make public criticisms of, and potential defects in, the firm's system of quality control, to the extent any are identified. If a firm does not address to the Board's satisfaction any criticism of, or potential defect in, the firm's system of quality control within 12 months after the issuance of our report, we will make public any such deficiency.

APPENDIX A: FIRM'S RESPONSE TO THE DRAFT INSPECTION REPORT

Pursuant to Section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(a), the firm provided a written response to a draft of this report. Pursuant to Section 104(f) of the Act and PCAOB Rule 4007(b), the firm's response, excluding any portion granted confidential treatment, is attached hereto and made part of this final inspection report.

The Board does not make public any of a firm's comments that address a nonpublic portion of the report unless a firm specifically requests otherwise. In some cases, the result may be that none of a firm's response is made publicly available.

In addition, pursuant to Section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(b), if a firm requests, and the Board grants, confidential treatment for any of the firm's comments on a draft report, the Board does not include those comments in the final report. The Board routinely grants confidential treatment, if requested, for any portion of a firm's response that addresses any point in the draft that the Board omits from, or any inaccurate statement in the draft that the Board corrects in, the final report.

Firm ID Number - 2387, Response to Report on 2024 Inspection of Bansal & Co. LLP

To
Christine Gunia
Director
Division of Registration and Inspections

Dear Ms. Christine,

i would like to express my sincere gratitude to you and the inspection team of Public Company Accounting Oversight Board (PCAOB) for providing us with the opportunity to review and respond to the draft inspection report. I recognize the importance of the PCAOB's oversight role in maintaining high standards within the audit profession and appreciate the collaborative approach taken to ensure the continued strengthening of our practices. I value the feedback provided and I and my audit team are committed to address the observations outlined in the report as part of our ongoing efforts to uphold the highest levels of audit quality and compliance.

Please find below our response to Part1.A Audits with unsupported opinions.

Issuer A -
With respect to **Revenue**, for which the firm identified a fraud risk.
The firm did not perform any substantive procedures to evaluate whether the issuer met the revenue recognition criteria prior to recognizing revenue. (AS 2301.08 and .13)

Our Response-

We acknowledge the concern raised regarding the performance of substantive procedures to evaluate revenue recognition. In accordance with AS 2301 (PCAOB Standards), we performed detailed audit procedures as outlined in our working papers, specifically addressing the requirements of AS 2301 .08 and .13.

Our substantive testing included verification of existing contracts. We reviewed continuing contracts from prior years, testing selected transactions, and verifying key terms such as party name, purchase orders, and service description, including compliance with the terms of the contract and approvals. We confirmed that amounts recognized as revenue and deferred revenue were in line with contract terms, examining the amounts received and the corresponding deferrals. We conducted a 100% examination of selected invoices and payments to ensure proper classification of revenue versus deferred revenue, in line with the service period. The revenue recognition process was consistent with applicable standards, ensuring accurate and timely revenue recognition.

These procedures provide assurance that performance obligations were met prior to recognizing revenue, as reflected in our audit documentation.

Tests	Narration	Percentage of completion
Test of Details	Sales transactions were checked against invoice copies to ensure they were recorded at the correct amounts. For a few clients, contracts were reviewed to confirm that sales were recorded according to the terms of the contract. The invoices were selected on sample basis as per PCAOB standards.	30%
Substantive Analytical Procedure	Deferred revenue balances were analyzed in detail, with specific attention to: Opening balances carried over from the prior period. Revenue transferred to the income statement during the period which is approximately 55% of the revenue during the years. Recalculated deferred revenue schedules to ensure amounts appropriately represented unearned income.	55%
Payment verifcation	Matched payments received to corresponding invoices and recognized revenue.	30%
Third-party confirmation for Accounts receivable	Third-party confirmation requests were sent to all the accounts receivable transacted during the year and alternate procedures were performed where confirmations were not received.	100%

With respect to **Goodwill and Intangible Assets**:

The firm did not evaluate whether the issuer's accounting for and disclosures related to goodwill and certain intangible assets were in conformity with GAAP. (AS 2301.08)

Our Response –

We have earlier given you a detailed response and we have nothing to add further.

With respect to **Journal Entries**, for which the firm identified a fraud risk:

The firm did not perform any procedures to identify and select journal entries and other adjustments for testing to address the potential for material misstatement due to fraud. (AS 2401.58)

Our Response –

We performed 100% verification of all journal entries. In our Fraud Risk Assessment Checklist under the section "Examining Journal Entries and Other Adjustments," we marked "Yes," with the remark "Entire GL scrutiny has been done."

We acknowledge that we did not prepare a separate work paper explicitly documenting the verification of all journal entries. Going forward, we will ensure that such documentation is included and referenced to complete our work papers.

Issuer B

With respect to **Revenue**, for which the firm identified a fraud risk:

The firm did not perform any substantive procedures to evaluate whether the issuer met the revenue recognition criteria prior to recognizing revenue. (AS 2301.08 and .13)

Our Response –

Performance obligations were satisfied before revenue recognition for all selected samples. For both new and continuing contracts, we verified invoices against contract terms, including party names, purchase orders, and service details, including compliance with the terms of the contract and approvals. We also ensured that the amounts received were in line with contract terms, with revenue recognized for the service period and the balance transferred to deferred revenue, as verified in the liabilities section.

All procedures were performed in accordance with AS 2301.08, ensuring compliance with the accounting policy and addressing significant risks and fraud risks.

Tests	Narration	Percentage of completion
Test of Details	Sales transactions were checked against invoice copies to ensure they were recorded at the correct amounts. For a few clients, contracts were reviewed to confirm that sales were recorded according to the terms of the contract.	53%
Substantive Analytical Procedure	Deferred revenue balances were analyzed in detail, with specific attention to: Opening balances carried over from the prior period. Revenue transferred to the income statement during the period which is approx 55% of the revenue during the years. Recalculated deferred revenue schedules to ensure amounts appropriately represented unearned income.	6%
Payment verification	Matched payments received to corresponding invoices and recognized revenue.	53%
Third-party confirmation for Accounts receivable	Third-party confirmation requests were sent to all the accounts receivable transacted during the year alternate procedures were performed where confirmations were not received.	100%

With respect to **Equity-Related Transactions**:

The firm did not perform procedures to evaluate whether the issuer had a reasonable basis for the significant assumptions used to estimate the fair value of the issuer's common stock issued in various share-based transactions, beyond obtaining and reading certain issuer-prepared documents. (AS 2501.16)

Our Response –

We performed extensive procedures to evaluate the assumptions used to estimate the fair value of the issuer's common stock, including research from various reputable websites and resources. Our findings indicated that the assumptions were consistent with market, industry, regulatory, and economic conditions. While we accessed multiple sources via hyperlinks, we acknowledge that these procedures were not adequately documented in one place within our work papers. Going forward, we will ensure proper documentation of all research and procedures performed.

With respect to **Journal Entries**, for which the firm identified a fraud risk:

The firm did not perform any procedures to identify and select journal entries and other adjustments for testing to address the potential for material misstatement due to fraud. (AS 2401.58)

Our Response –

We performed 100% verification of all journal entries. In our Fraud Risk Assessment Checklist under the section "Examining Journal Entries and Other Adjustments," we marked "Yes," with the remark "Entire GL scrutiny has been done."

We acknowledge that we did not prepare a separate work paper explicitly documenting the verification of all journal entries. Going forward, we will ensure that such documentation is included and referenced to complete our work papers.

Please find below our response to PART I.B: Other instances of non-compliance with PCAOB standard and rules.

In the two audits reviewed, the work papers did not contain sufficient information to enable an experienced auditor, having no previous connection with the engagement, to understand all of the procedures performed by the engagement quality reviewer. In these instances, the documentation of the engagement quality review was non-compliant with AS 1220, Engagement Quality Review.

Our Repsonse –
We acknowledge the inspection findings and maintain that the engagement quality reviewer (EQCR) performed the review with due care, thoroughly evaluating key judgments and conclusions. However, we recognize the need for continuous improvement and will enhance our EQCR process moving forward to better align with AS 1220 and our internal policies. This is in accordance to our response also.

In one of two audits reviewed, the firm did not establish an understanding of the terms of the audit engagement with the audit committee and determine that the audit committee acknowledged and agreed to the terms of the engagement. In this instance, the firm was non- compliant with AS 1301, Communications with Audit Committees.

Our response –
We acknowledge the deficiency and will ensure strengthened adherence to these requirements in future engagements.

In one of two audits reviewed, the firm did not inquire of the audit committee about whether it was aware of matters relevant to the audit, including, but not limited to, violations or possible violations of laws or regulations. In this instance, the firm was non-compliant with AS 1301, Communications with Audit Committees

Our Response –
We acknowledge the deficiency and will ensure strengthened adherence to these requirements in future engagements.

In the two audits reviewed, the firm did not make certain required communications to the audit committee related to (1) an overview of the audit strategy; and (2) the results of the audit. In these instances, the firm was non-compliant with AS 1301, Communications with Audit Committees.

Our Response -
We acknowledge the deficiency and will ensure strengthened adherence to these requirements in future engagements.

In the two audits reviewed, the firm did not perform procedures to determine whether all individuals who participated in the audit were in compliance with independence requirements. In these instances, the firm was non-compliant with AS 2101, Audit Planning.

Our Response –
We acknowledge the deficiency and agree with the finding. Due to an oversight, we did not obtain one audit staff's independence declaration prior to his involvement in the audit. Following the inspection, we have now obtained and documented his independence confirmation as required. We will ensure full compliance with independence procedures in future engagements.

In one of two audits reviewed, the firm did not make certain required communications to the audit committee related to its evaluation of the issuer's identification of, accounting for, and disclosure of its relationships and transactions with related parties. In this instance, the firm was non-compliant with AS 2410, Related Parties.

Our response –
During the audit, we performed and documented procedures to evaluate the issuer's related party transactions and disclosures. These matters were communicated to the Board of Directors through emails and teleconferences. The conclusions from our audit procedures

have been properly documented. We will ensure clearer, more formal communications in future engagements.

In the two audits reviewed, the engagement team did not perform any procedures to comply with the requirements related to critical audit matters. In these instances, the firm was non- compliant with AS 3101, The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion. These instances of non-compliance do not necessarily mean that critical audit matters should have been communicated in the auditor's report.

Our Response –

We performed and documented audit procedures in accordance with AS 3101, including the identification and evaluation of critical audit matters. These matters were communicated to the Board of Directors through emails and teleconferences, and the conclusions were documented in the audit files. We will ensure clearer communication of critical audit matters in future engagements. This is in accordance our response also

In one of two audits reviewed, the firm's audit report did not include explanatory language about the firm's responsibilities with respect to ICFR in a non-integrated audit. In this instance, the firm was non-compliant with AS 3105, Departures from Unqualified Opinions and Other Reporting Circumstances.

Our response –

We agree with the deficiency. Our audit report for this issuer did not include the required statements as outlined in AS 3105.60. We will ensure that these statements are included in future audit reports to comply with the relevant requirements.

In one audit, the firm did not file its report on Form AP by the relevant deadline. In this instance, the firm was non-compliant with PCAOB Rule 3211, Auditor Reporting of Certain Audit Participants.

Our Response –

We acknowledge the deficiency. We were unaware of the filing deadline for Form AP. Upon being informed by the inspection team, we filed the Form AP immediately. We will ensure compliance with the filing deadlines in the future.

In one of two audits reviewed, the firm did not provide the audit committee the required independence communications. In this instance, the firm was non-compliant with PCAOB Rule 3526, Communication with Audit Committees Concerning Independence.

Our response –

We acknowledge the deficiency. In this instance, there was no separate audit committee pre-approval. We will ensure compliance with PCAOB Rule 3526 and provide the required independence communications in future engagements.

Please find below our response to PART I.C: Independence

Under Rule 2-01(c)(7) of Regulation S-X, an accountant is not independent if it is engaged to render audit or non-audit services to an issuer or its subsidiaries without that engagement having been pre- approved by the audit committee. In two audits reviewed,

we identified one instance for one issuer in which the firm could provide no persuasive evidence of the necessary audit committee pre-approval.

Our response –
We acknowledge the deficiency. In this instance, there was no separate audit committee pre-approval. We will ensure compliance with PCAOB Rule 3526 and provide the required independence communications in future engagements.

Redacted pursuant to Section 104(f) and/or (g)(2) of the Sarbanes-Oxley Act.