

Big Six Corner Most of Auditing Business in Nifty-500 Universe

These firms secured 637 assignments of 1,961 from NSE listed cos in FY24

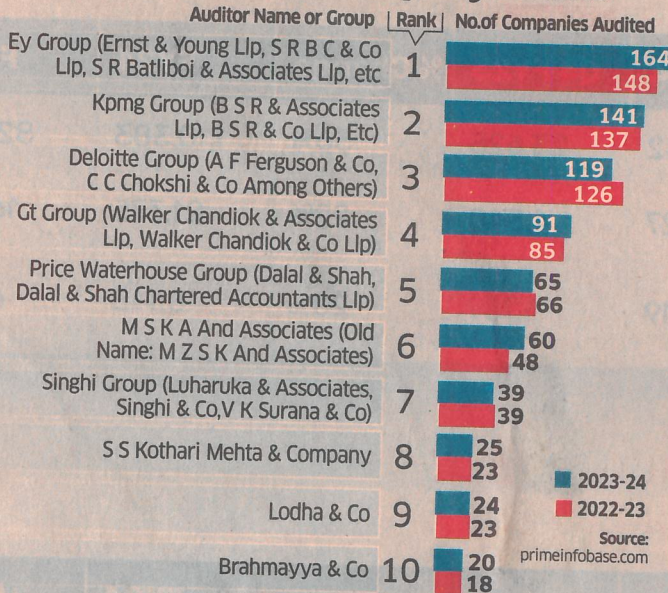
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Mumbai: Affiliate firms of the top six leading professional services firms, namely Deloitte, PwC, EY, KPMG, Grant Thornton, and BDO controlled 323 audit assignments out of 483 Nifty-500 companies as of March 31, 2024, according to data from primeinfobase.com. This accounted for nearly two-thirds (67%) of all audits performed, with auditor information missing for 17 organisations.

"Their stranglehold has tightened since 2022-23, when they commanded 61 percent of the Nifty-500 universe," revealed Pranav Haldea, managing director of PRIME Database Group.

According to the report, of all the companies with equity shares listed on the NSE main board, the Big 6 Indian audit firms secured 637 assignments out of 1,961. This accounted for approximately 32.48% of the total, up slightly from 32.14% the previous fiscal year. Auditor details were missing for 47 organisations. A key standout has been the strong performance of Grant Thornton and MSKA affiliates who have established themselves as strong alternatives to the Big Four firms in audit business.

Ranking by No. of Company Audits



"It's high time for public interest audits that we recognise there is the need to go beyond global size and look for firms that can deliver high quality and value to all stakeholders," said Vishesh Chandiook, CEO, Grant Thornton Bharat.

The Big Four affiliates say that clients continue to prefer to opt for a larger firm due to the breadth and depth of expertise and resources available.

"We are focused on our purpose, which is to build trust in financial reporting. Our priority is to invest in talent, technology, and processes that enable high-quality audits and meet stakeholder expectations," said Sudhir Soni, head of audit at BSR & Co, a KPMG affiliate.

Over the last few years, the audit committees have become more demanding, and the National Financial Reporting Authority (NFRA)

has also been tightening screws to improve audit quality.

"There is an enhanced focus on audit quality, and companies want auditors that have the right skill sets, experienced teams, deep sector knowledge, and also technology and data expertise," said Samir Shah, head of Audit & Assurance, Deloitte Haskins & Sells LLP India. "NFRA has also become a catalyst in enhancing the overall audit quality in the sector."

The top 10 audit firms collectively audited 748 companies, representing 38% of the total and topping the league table was the EY Group with 164 companies, followed by the KPMG Group (141) and the Deloitte Group (119).

In fiscal year 2023-24, 834 audit firms audited 1,961 organisations, suggesting a diversified landscape of auditing services in the market.

A total of 22 audit firms handled audits for ten or more listed businesses, whereas a significant 581 were responsible for auditing a single listed company each.

"The big disparity in distribution highlights the wide variance in the scale of operations within the auditing sector," said Jeenendra Bhandari, managing partner, MGB.

Deloitte, KPMG, and EY dominated the market, accounting for 49% of the total market capitalisation of all companies listed on the NSE main board in 2023-24.

Deloitte held 17%, while both KPMG and EY each held 17% and 15%, respectively.