

BIG 4 AUDIT FIRMS MAINTAIN DOMINANCE IN AUDIT OF LISTED COMPANIES: nseinfobase.com

As per nseinfobase.com, a joint initiative of NSE and PRIME Database Group, the Big 4 audit firms, between them, shall handle a high 479 assignments of 1,813 companies listed on NSE as on 9th December, 2019 for which auditor details are available for 2019-20 (auditor details not available for 15 companies), or 26 per cent of the total, a slight drop from 28 per cent in 2018-19. **Their dominance shall be even stronger in the NIFTY 500 subset wherein they shall handle 283 of the 500 audits or 57 per cent of the total.**

The **top 10 audit firms shall account for audit of as many as 651 companies or 36 per cent of the total.** Leading the league table shall be the KPMG Group with 155 companies, followed by EY Group (143), Deloitte Group (118) and Walker ChandioK & Co LLP (66).

On an overall basis, in 2019-20, as many as **903 audit firms shall audit the above mentioned 1,813 companies.** This is down from 949 audit firms which audited 1,785 out of the 1,788 companies listed on NSE as on March 31, 2019 (Auditor details not available for the balance 3 companies). This implies that, on an average, **an audit firm shall audit 2.01 companies in 2019-20 (up from 1.88 companies in 2018-19).**

Ranking by No. of Company Audits

Rank	Auditor Name or Group	No.of Companies to be Audited in 2019-20*	No.of Companies Audited in 2018-19*
1	KPMG GROUP (B S R & ASSOCIATES LLP, B S R & CO LLP, B S R & COMPANY, B S R AND ASSOCIATES, B S R AND CO, K P M G)	155	152
2	EY GROUP (ERNST & YOUNG LLP, S R B C & CO LLP, S R BATLIBOI & ASSOCIATES LLP, S R BATLIBOI & CO LLP ,S R BATLIBOI & CO., S V GHATALIA & ASSOCIATES LLP)	143	144
3	DELOITTE GROUP (DELOITTE HASKINS & SELLS, DELOITTE HASKINS & SELLS LLP, A F FERGUSON & CO, C C CHOKSHI & CO, FRASER & ROSS, P C HANSOTIA & CO, S B BILLIMORIA & CO)	118	127
4	WALKER CHANDIOK & CO LLP	66	63
5	PRICE WATERHOUSE GROUP (PRICE WATERHOUSE,PRICE WATERHOUSE & CO, PRICE WATERHOUSE & CO CHARTERED ACCOUNTANTS LLP, PRICE WATERHOUSE & CO BANGALORE, PRICE WATERHOUSE, BANGALORE, PRICE WATERHOUSE COOPERS, DALAL & SHAH, DALAL & SHAH CHARTERED ACCOUNTANTS LLP, DALAL & SHAH LLP, LOVELOCK & LEWES)	65	72
6	SINGHI GROUP (LUHARUKA & ASSOCIATES,SINGHI & CO,V K SURANA & CO)	35	32
7	S S KOTHARI MEHTA & COMPANY	23	20
8	HARIBHAKTI & CO LLP	17	22
9	LODHA & CO	16	14
10	M Z S K AND ASSOCIATES	13	8

Source: nseinfobase.com: Developed & Powered by PRIME Database Group

Distribution of audit firms and listed companies for 2019-20

There are only 15 audit firms which audit 10 or more listed companies. At the other end, as many as 654 audit firms audit a single listed company.

NSE-listed companies	No.of Audit Firms
10 or more	15
5 to 9	27
2 to 4	207
1	654

Ranking by Market capitalisation of companies audited

In terms of market capitalisation too, the Big 4 shall dominate with the market capitalisation of the companies audited by them being 60 percent of the total market capitalisation of all companies listed at NSE during 2019-20. KPMG again leads with 23 per cent with EY at 19 per cent, Deloitte at 15 per cent and PwC at 3 per cent.

Rank	Auditor Name or Group	Average end of quarter Mkt.Cap. of Companies Audited (INR crore) 2019-20**	% share
1	KPMG GROUP	34,63,603	23.47
2	EY GROUP	27,64,885	18.73
3	DELOITTE GROUP	22,43,679	15.20
4	WALKER CHANDIOK & CO LLP	9,19,786	6.23
5	M Z S K AND ASSOCIATES	6,95,769	4.71
6	PRICE WATERHOUSE GROUP	4,62,461	3.13
7	D T S & ASSOCIATES	4,22,922	2.87
8	HARIBHAKTI & CO LLP	3,20,148	2.17
9	RAY & RAY	1,60,063	1.08
10	G M KAPADIA & CO	1,11,401	0.75

Ranking by 2018-19 Audit Fee on Standalone basis (INR crore)

The **Audit Fee paid out by companies listed on NSE**, on standalone basis, was **INR 1,603 crore** in 2018-19 (data based on 1,699 companies for which Audit Fee or Overall Fee data was available[^]). This was an increase of 4 per cent from the INR 1,544 crore paid out in the previous financial year 2017-18. The **average Audit Fee was INR 0.94 crore per company, up from INR 0.93 crore in 2017-18.**

The Big 4 had a 23 per cent share of Audit Fee, on standalone basis, with EY at INR 129.53 crore (up by 14 per cent from INR 113.42 crore in 2017-18), KPMG Group at INR 110.68 crore (up by 10 per cent, 2017-18: INR 100.22 crore), Deloitte Group at INR 88.76 crore (up by 7 per cent, 2017-18: INR 82.78 crore) and PWC Group at INR 35.67 crore (down by 5 per cent, 2017-18: INR 37.39 crore).

The top 10 auditors by Audit Fee, on standalone basis, along with the change from previous year are given below.

Rank	Auditor Name or Group	2018-19 (INR crore)	2017-18 (INR crore)	Change (INR crore)
1	EY GROUP	129.53	113.42	16.11
2	KPMG GROUP	110.68	100.22	10.46
3	DELOITTE GROUP	88.76	82.78	5.98
4	WALKER CHANDIOK & CO LLP	43.29	30.02	13.26
5	PRICE WATERHOUSE GROUP	35.67	37.39	-1.71
6	N B S & CO	29.63	23.13	6.50
7	CHATURVEDI & CO	25.73	2.13	23.61
8	CHATURVEDI & SHAH LLP (OLD NAME: CHATURVEDI & SHAH)	25.45	26.08	-0.63
9	BANSHI JAIN & ASSOCIATES	23.55	23.13	0.41
10	BRAHMAYYA & CO	22.72	22.34	0.39

Source: nseinfobase.com: Developed & Powered by PRIME Database Group

Ranking by Overall Fee on Standalone basis (INR crore)

The **Overall Fee** (comprising Audit Fee, fee paid for other services and reimbursements) **paid out by companies in 2018-19**, on standalone basis, **was INR 1,911 crore** (data based on 1,699 companies for which Overall Fee data was available). This was an increase of 4 per cent from the INR 1,833 crore paid out in the previous financial year 2017-18. The **average Overall Fee was INR 1.12 crores**.

The **Big 4 had a 30 per cent share of the Overall Fee in 2018-19**. The EY Group again led with a total Overall Fee, on standalone basis, of INR 191.57 crore, followed by KPMG Group at INR 177.37 crore, Deloitte Group at INR 137.29 crore and PWC at INR 58.20 crore.

The top 10 auditors by Overall Fee, on standalone basis, along with the change from previous year are given below.

Rank	Auditor Name or Group	2018-19 (INR crore)	2017-18 (INR crore)	Change (INR crore)
1	EY GROUP	191.57	167.02	24.56
2	KPMG GROUP	177.37	166.35	11.02
3	DELOITTE GROUP	137.29	125.12	12.17
4	PRICE WATERHOUSE GROUP	58.20	60.06	-1.86
5	WALKER CHANDIOK & CO LLP	54.00	40.64	13.36
6	N B S & CO	29.67	23.13	6.53
7	CHATURVEDI & SHAH LLP (OLD NAME: CHATURVEDI & SHAH)	28.56	28.92	-0.36
8	CHATURVEDI & CO	26.24	3.02	23.22
9	BANSHI JAIN & ASSOCIATES	23.55	23.13	0.41
10	BRAHMAYYA & CO	23.49	22.86	0.63

Source: nseinfobase.com: Developed & Powered by PRIME Database Group

Companies paying maximum Overall Fee (on Standalone basis)

The 40 listed banks paid an overall fee of INR 1,045 crore or 55 per cent of the total in comparison to just INR 866 crore paid out by the balance 1659 companies. Of the INR 1,045 crore paid by banks, the 22 listed PSU banks paid a lion share of INR 991 crore or 95 per cent of the total.

Banks

Rank	Company	Total Fee (INR crore)
1	STATE BANK OF INDIA	293.68
2	BANK OF INDIA	70.64
3	CANARA BANK	67.37
4	PUNJAB NATIONAL BANK	66.96
5	BANK OF BARODA	60.68
6	UNION BANK OF INDIA	49.11
7	INDIAN BANK	41.60
8	UCO BANK	37.67
9	SYNDICATE BANK	36.44
10	ANDHRA BANK	32.05

Source: nseinfobase.com: Developed & Powered by PRIME Database Group

Non-Banks

Rank	Company	Total Fee (INR crore)
1	RELIANCE INDUSTRIES LTD.	21.00
2	FORTIS HEALTHCARE LTD.	14.66
3	TATA MOTORS LTD.	12.43
4	VODAFONE IDEA LTD.	12.20
5	TATA CONSULTANCY SERVICES LTD.	12.00
6	VEDANTA LTD.	12.00
7	NEW INDIA ASSURANCE CO.LTD.,THE	11.18
8	BHARTI AIRTEL LTD.	9.40
9	JSW STEEL LTD.	8.00
10	TATA STEEL LTD.	7.44

Source: nseinfobase.com: Developed & Powered by PRIME Database Group

Companies paying maximum Overall Fee (on Consolidated basis viz. also including fee paid by subsidiaries of the company)

Banks

Rank	Company	Total Fee (INR crore)
1	STATE BANK OF INDIA	307.00
2	BANK OF INDIA	72.58
3	PUNJAB NATIONAL BANK	70.25
4	CANARA BANK	68.23
5	BANK OF BARODA	66.18
6	UNION BANK OF INDIA	49.96
7	INDIAN BANK	41.71
8	UCO BANK	37.67

9	SYNDICATE BANK	36.44
10	ANDHRA BANK	32.26

Source: nseinfobase.com: Developed & Powered by PRIME Database Group

Non-Banks

Rank	Company	Total Fee (INR crore)
1	TATA MOTORS LTD.	70.43
2	BHARTI AIRTEL LTD.	67.80
3	HINDALCO INDUSTRIES LTD.	52.67
4	RELIANCE INDUSTRIES LTD.	41.00
5	SUN PHARMACEUTICAL INDUSTRIES LTD.	26.06
6	VEDANTA LTD.	26.00
7	HCL TECHNOLOGIES LTD.	25.68
8	LUPIN LTD.	15.89
9	MOTHERSON SUMI SYSTEMS LTD.	15.00
10	FORTIS HEALTHCARE LTD.	14.66

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Auditor Changes

Auditor rotation, as mandated by law (including addition/deletion of one or more auditors for companies with joint audits), **has been seen in 257 companies listed at NSE from 2018-19 to 2019-20 (out of 1740 companies where auditor details are available for both 2018-19 and 2019-20).** Auditor changes in Nifty companies from 2018-19 to 2019-20 are given in Annexure 1.

Between 2017-18 and 2018-19, auditor changes were seen in 259 companies (2016-17 to 2017-18: 1056 companies, 2015-16 to 2016-17: 218 companies, 2014-15 to 2015-16: 177 companies, 2013-14 to 2014-15: 174 companies, 2012-13 to 2013-14: 149 companies, 2011-12 to 2012-13: 149 companies, 2010-11 to 2011-12: 148 companies and 2009-10 to 2010-11: 142 companies).

Forthcoming Expiry of Auditor Tenures

Going forward, in line with the regulations around auditor rotation, tenures of 250 auditors in 198 companies shall expire in 2019-20, 144 auditors in 140 companies shall expire in 2020-21, **a huge 891 auditors in 874 companies in 2021-22**, 155 auditors in 152 companies in 2022-23 and 195 auditors in 191 companies in 2023-24.

Leading Signatory Name Partners

Mr. Aniruddha Godbole, Mr. Jeetendra Mirchandani and Mr. Gaurav Shah from KPMG, PWC and Deloitte respectively signed the most number of audits in 2018-19.

Rank	Signatory Partner	Audit Firm	No.of Audits (2018-19)
1	MR.GAURAV J.SHAH	DELOITTE GROUP	7
1	MR.ANIRUDDHA GODBOLE	KPMG GROUP	7
1	MR.JEETENDRA MIRCHANDANI	PRICE WATERHOUSE GROUP	7
2	MR.CHANDRA BABU M.	CHANDRA BABU NAIDU & CO	6
2	MR.HEMANT M.JOSHI	DELOITTE GROUP	6
2	MR.SANJIV V.PILGAONKAR	DELOITTE GROUP	6
2	MR.VIJAY AGARWAL	DELOITTE GROUP	6

2	MR.JAYESH M.GANDHI	EY GROUP	6
2	MR.SUDHIR SONI	EY GROUP	6
2	MR.SUMANT SAKHARDANDE	HARIBHAKTI & CO LLP	6
2	MR.AKEEL MASTER	KPMG GROUP	6
2	MR.BHAVESH DHUPELIA	KPMG GROUP	6
2	MR.JAYANTA MUKHOPADHYAY	KPMG GROUP	6
2	MR.S.SETHURAMAN	KPMG GROUP	6
2	MR.SHASHANK AGARWAL	KPMG GROUP	6
2	MR.VIJAY MATHUR	KPMG GROUP	6
2	MR.N.K.LODHA	LODHA & CO	6
2	MR.B.K.SIPANI	SINGHI GROUP	6

Notes:

* If a company has multiple auditors, credit by count has been provided to each auditor.

** If a company has multiple auditors, credit by market capitalisation has been provided to each auditor on a pro-rata basis.

^Where fee paid for audit was not given separately, the total fee paid to Auditors has been considered. In case there is more than one auditor in a company and the fee break-up amongst them has not been given by the company, the Overall Fee paid to auditors has been split equally amongst all auditors.

For standardizing auditor fee across different financial years/accounting periods of companies, fee details for years other than an 'April-March' Financial Year have been adjusted on a pro-rata basis. For e.g. fee for calendar year 2018 (viz. January-December 2018) has been taken 3 months into 2017-18 and 9 months into 2018-19.

Annexure 1

Auditor Changes in Nifty companies from 2018-19 to 2019-20

Company	Auditors 2018-19	Auditors 2019-20
GAIL (INDIA) LTD.	A S A & ASSOCIATES LLP, O P BAGLA & CO	A R & CO, A S A & ASSOCIATES LLP
HCL TECHNOLOGIES LTD.	S R BATLIBOI & CO LLP	B S R & CO LLP
HDFC BANK LTD.	S R BATLIBOI & CO LLP	M Z S K AND ASSOCIATES
INDIAN OIL CORP.LTD.	C K PRUSTY & ASSOCIATES, S K MEHTA & CO, SHIROMANY TYAGI & CO, V SANKAR AIYAR & CO, V SINGHI & ASSOCIATES	G S MATHUR & CO, K C MEHTA & CO, SINGHI & CO, V SINGHI & ASSOCIATES
INDUSIND BANK LTD.	S R BATLIBOI & CO LLP	HARIBHAKTI & CO LLP
ITC LTD.	DELOITTE HASKINS & SELLS	S R B C & CO LLP
KOTAK MAHINDRA BANK LTD.	S R BATLIBOI & CO LLP	WALKER CHANDIOK & CO LLP
NTPC LTD.	B M CHATRATH & CO, KALANI & CO, P A & ASSOCIATES, S K KAPOOR & CO, S N DHAWAN & CO, SAGAR & ASSOCIATES, T R CHADHA & CO	B C JAIN & CO, C K PRUSTY & ASSOCIATES, PARAKH & CO, S K MEHTA & CO, S N DHAWAN & CO, V K JINDAL & CO, VARMA & VARMA
OIL & NATURAL GAS CORP.LTD.	DASS GUPTA & ASSOCIATES, G M KAPADIA & CO, K C MEHTA & CO, M K P S & ASSOCIATES, P K F SRIDHAR & SANTHANAM, R GOPAL & ASSOCIATES	G M KAPADIA & CO, KALANI & CO, M K P S & ASSOCIATES, R G N PRICE & CO, R GOPAL & ASSOCIATES, S A R C & ASSOCIATES
POWER GRID CORP.OF INDIA LTD.	KOTHARI & CO, PARAKH & CO, R G N PRICE & CO, S K MITTAL & CO	B M CHATRATH & CO, P S D & ASSOCIATES, T R CHADHA & CO, UMAMAHESWARA RAO & CO
STATE BANK OF INDIA	BRAHMAYYA & CO, CHATURVEDI & SHAH LLP (OLD NAME: CHATURVEDI & SHAH), DE CHAKRABORTY & SEN, G P AGRAWAL & CO, J C BHALLA & CO, K VENKATACHALAM AIYER & CO, KALANI & CO, KARNAVAT & CO, N C RAJAGOPAL & CO, O P TOTLA & CO, RAO & KUMAR, RAY & RAY, S K KAPOOR & CO, S K MITTAL & CO	CHATURVEDI & SHAH LLP (OLD NAME: CHATURVEDI & SHAH), G P AGRAWAL & CO, J C BHALLA & CO, K VENKATACHALAM AIYER & CO, KARNAVAT & CO, KHANDELWAL JAIN & CO, N C RAJAGOPAL & CO, O P TOTLA & CO, RAY & RAY, S C V & CO LLP, S K KAPOOR & CO, S K MITTAL & CO, SHAH GUPTA & CO, UMAMAHESWARA RAO & CO

Source: nseinfobase.com: Developed & Powered by PRIME Database Group

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