

Regulations to be eased to create India's Big Four

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IN ITS BID to catalyse the growth of Indian audit and advisory firms and making a few of them big enough even to rival the Big Four, the government is considering a slew of regulatory relaxations. These include easing curbs on advertising by professional service providers like chartered accountants (CAs), lawyers and company secretaries, and allowing them to engage in brand-building.

A proposal to restrict the participation of foreign advisory firms in government contracts is also under active consideration.

According to sources, these

AUDIT BOOST

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and other measures aimed at accelerating the growth and reach of Indian audit and advisory firms were taken up at an inter-ministerial meeting held on Tuesday at the Prime Minister's Office (PMO).

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sional institutes like the Institute of Chartered Accountants of India (ICAI), the Institute of Company Secretaries of India (ICSI) and the Institute of Cost and Works Accountants of India (ICWAI).

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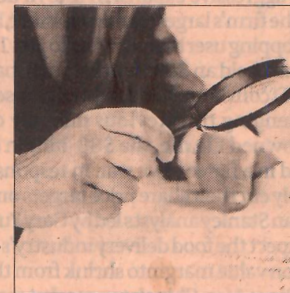
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AMENDMENTS IN THE Public Procurement (Preference to Make in India), Order 2017, and changes in the Companies Act, 2013, to allow the creation of multi-disciplinary partnership (MDP) firms are found to be necessary, the sources said.

"Professionals like chartered accountants, company secretaries, and lawyers are not allowed to advertise which is affecting their ability for brand-building and compete with top global advisory firms. The (inter-ministerial) group has taken this into consideration, and will direct the relevant professional agencies to amend the relevant rules," an official said on condition of anonymity.

In the case of CAs, ICAI revised the advertising guidelines in 2008, but those were still restrictive. The institute has now formed an internal group to make these guidelines more contemporary.

The sources said that the group has suggested changes in the rules to restrict "foreign" advisory firms, including the Big Four, to participate in the consulting work for the government. This is in line with the US federal laws that permit only domestic firms to participate in the government contracts. "While there are no official estimates, most large consulting assignments with the central and state governments go to the Big Four. The restrictions on foreign firms



would certainly give an edge to domestic firms to garner market share," the official quoted above said.

This is the second meeting of the inter-ministerial group, headed by Shaktikanta Das, the principal secretary to the Prime Minister, after it met in late August to put into action the agenda of creating large Indian advisory and audit firms that can compete with the Big Four – EY, KPMG, PricewaterhouseCoopers, and Deloitte.

Further, the group also discussed the proposal to amend Section 141(1) of the Companies Act that states that a firm can be appointed as an auditor of a company if the majority of its partners are qualified CAs. This rule is specifically against the formation of MDPs (multi-disciplinary partnerships) in India that can compete with the Big Four.

Currently, the restrictions on MDPs prevent professionals such as CAs, company secretaries, lawyers, and actuaries

from working together under a single firm structure. This limits their ability to offer integrated services, and grow into full-service firms.

As per primeinfobase.com, the Big 6 audit firms cemented their position in FY25 as more companies engaged them to get their audit work done. In FY25, the top six audit firms handled 326 assignments of the 483 Nifty-500 companies as on March 2025, which was in line with the FY24 trend when Big 6 firms audited 67% of the Nifty 500 companies.

"The group has a view that the professional institutes like ICAI and ICSI must engage in capacity building exercises like improving the professional skills, knowledge, and overall capabilities of their members, especially at a time when the Big Four are using modern tech like artificial intelligence and robotic process automation to enhance accuracy and quality in the audit processes," the official said.

Experts said that over the years, Indian advisory firms have shown the strength and competence to compete with the global firms – not just in India but overseas as well.

"The government's proposal to promote an Indian Big Four is a very welcome move and an important step forward for the professional services sector," said Nilaya Varma, co-founder & CEO of Primus Partners.