

321 auditors quit listed companies mid-term in FY26, and few said anything was wrong

Between April 2025 and March 2026, 321 statutory auditors resigned from 302 Indian listed companies before their term ended, and 219 more left from April to September 2026. The figure usually quoted, 71, covers the NSE main board and larger BSE companies; on those companies we count 73, and 65% of FY26 exits were at companies it does not cover, most of them worth under ₹500 crore and audited by firms with a handful of listed clients. The auditors' letters mostly give reasons about themselves: too busy, a partner gone, the fee, a new owner's choice of auditor. 16 of 540 letters point at the company. The companies they left did somewhat worse afterwards, and their share prices barely moved on the news.



By **Vinod Choudhary**, Chartered Accountant and founder, MarketPing

Published 2 October 2026 · Data to 30 September 2026 · 11 min read · 9 figures

Key findings

321

statutory auditors resigned from 302 listed companies before their term ended in FY26 (April 2025 to March 2026), and 40 more from listed companies' subsidiaries. From April to September 2026 another 219 left, against 217 in the same months of 2025.

65%

of those FY26 exits were at companies outside the count usually quoted, which covers the NSE main board and BSE-only companies worth more than ₹1,000 crore. On its companies and by its rule we count 73, against its 71.

13.2%

of main-board companies worth under ₹500 crore lost an auditor mid-term in 18 months, against 2.5% of those worth ₹20,000 crore or more. 85% of the departing firms sign the accounts of fewer than ten listed companies.

**16 of
540**

exits came with a letter that points at the company: books and records not provided, management not co-operating, a disagreement over the accounts. 41% of letters cite "preoccupation" with other work, and 87% say there were no concerns.

46%

of resignation letters are dated in the fortnight before a quarter's results are due, between day 31 and day 45 after the quarter ends: nearly three times what an even spread would give.

7.9%

of companies whose auditor left in FY26 received a modified audit opinion on their FY26 accounts, against 4.2% for companies of their size. On the day a resignation was filed, the median share price moved -0.06%.

What this means

An auditor resigning from an Indian listed company is common, concentrated in small companies and small audit firms, and mostly explained by the firm rather than the company: too busy, a partner gone, the fee too low, the audit grown too big, or a new owner that wants its own network's auditor. The count usually quoted follows the larger companies and sees about a third of the exits. The few letters that do point at the company say so plainly, and the companies that lost an auditor did somewhat worse afterwards, with more modified audit opinions and late results than companies of their size. What a resignation means is in the letter, not in the event, and the share market treats the event that way.

1 How many auditors left

A statutory auditor is the chartered accountant firm that audits a company's financial statements and signs its opinion on them. A listed company appoints one for five years at a time, a firm for at most two terms, and its shareholders approve the appointment. An auditor can resign before its term ends. Since October 2019, SEBI has required a resigning auditor to state its reasons in a set format, and the company to file them with the stock exchanges within 24 hours.

321

auditors left listed companies
mid-term in FY26

302

companies they left

40

more left the subsidiaries of
listed companies

219

left from April to September
2026

FIGURE 1

321 auditors left listed companies mid-term in FY26; the count usually quoted is 71

Statutory auditors who resigned before their term ended, April 2025 to March 2026

		Exits	At cos	Coverage
Prime Database, published		71	68	≈2,450
Ours, same companies and rule		73	71	≈2,450
Ours, all mid-term exits there		111	106	≈2,450
Ours, every listed company		321	302	5,932

Prime Database (25 June 2026) counts auditors who resign during the year before completing its audit, at the NSE main board and BSE-only companies above ₹1,000 crore (2,451 companies). On those companies and that rule we count 73; 38 more left right after signing the FY25 accounts, which Prime lists separately. The last row covers every listed company, SME boards included. **Source: MarketPing.**

The figure usually quoted for FY26, 71 resignations at 68 companies, is Prime Database's. It covers 2,451 companies: the NSE main board and BSE-only companies worth more than ₹1,000 crore. Reading the same companies by the same rule, auditors who resigned during the year before completing that year's audit, we count 73 at 71 companies, so the two counts agree. Prime lists separately the auditors who leave right after signing a year's accounts; at its companies there were 38 of those in FY26.

The other 210 exits, 65% of the FY26 total, were at companies outside that coverage: on the SME boards, and on the BSE alone below ₹1,000 crore. Counting every listed company, 321 auditors left 302 companies in FY26, and the pace has held: 219 left from April to September 2026, against 217 in the same six months of 2025.

What counts as an exit

A statutory auditor of a listed company, or of one of its subsidiaries, that resigned or was removed before its term ended. Secretarial, internal and cost auditors are left out, and so are auditors who completed their term and were not reappointed. A resignation produces several filings (the letter, the details SEBI requires, the board appointing a successor, the shareholders' vote, later mentions in results and annual reports), 5.3 on average among those we read; each exit is counted once. Exits at subsidiaries are counted separately and left out of the figures that follow. 38 companies lost two or more auditors in the 18 months, and count once for each.

2 Small companies, small firms

Exits are concentrated in the smallest companies. 80% were at companies on the SME boards or worth under ₹500 crore. In 18 months, 323 of the 2,442 main-board companies worth under ₹500 crore lost an auditor mid-term, 13.2%. Among companies worth ₹20,000 crore or more it was 9 of 354, 2.5%. The SME boards sit between the two, at 6.1%.

FIGURE 2

One small main-board company in 8 lost its auditor mid-term in 18 months

Share of listed companies with at least one statutory auditor exit, April 2025 to September 2026

	Share	Cos	Listed
SME boards	6.1%	68	of 1,117
Main board, under ₹500 cr	13.2%	323	of 2,442
₹500 cr to ₹5,000 cr	4.8%	49	of 1,011
₹5,000 cr to ₹20,000 cr	4.4%	20	of 456
₹20,000 cr and above	2.5%	9	of 354

Companies listed on 30 September 2026, grouped by their market value on that date. SME boards are NSE Emerge and BSE SME. **Source: MarketPing.**

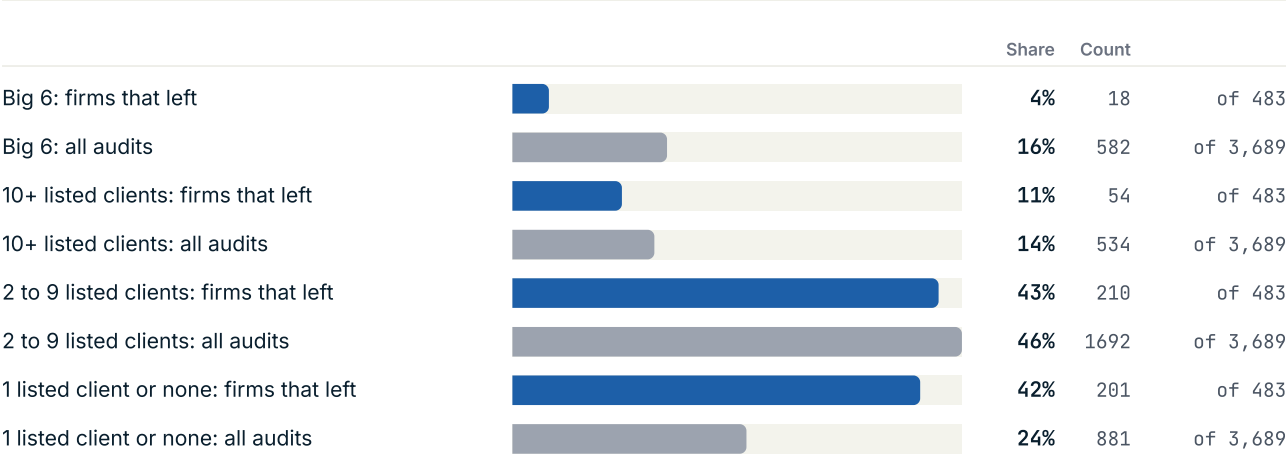
The audit firms that leave are small too. We matched each departing firm by its ICAI registration number to the auditors named in the audited annual results of every listed company, and counted how many listed companies each firm signs for. Of the 483 departing firms we could identify, 411 (85%) sign for fewer than ten, and 201 for one listed company or none we could find. The Big 6

networks sign the accounts of 16% of listed companies, and most of the market's value; they account for 18 of the exits.

FIGURE 3

The firms that leave are small: 85% sign for fewer than ten listed companies

Audit firms by the number of listed companies they sign for: the firms that left, against the auditors of all listed companies



Firms matched by ICAI registration number to the auditors named in every listed company's audited annual results for FY25 and FY26. Big 6: the Deloitte, EY, KPMG, PwC, Grant Thornton and BDO networks in India.

Source: MarketPing.

Set against all listed audits, the Big 6 are rare among the firms that leave (4% of departing firms, 16% of audits), and firms with a single listed client are common (42% against 24%). The firms that take their place are smaller still: 242 of the 457 incoming firms we could identify (53%) audit no other listed company we can find.

Some firms left many listed clients at once. 62 firms left two or more listed companies in the 18 months, 170 exits between them. One firm left 12 listed companies, 7 of them between 21 and 30 January 2026; 8 of its letters say a partner responsible for the audit had left the firm.

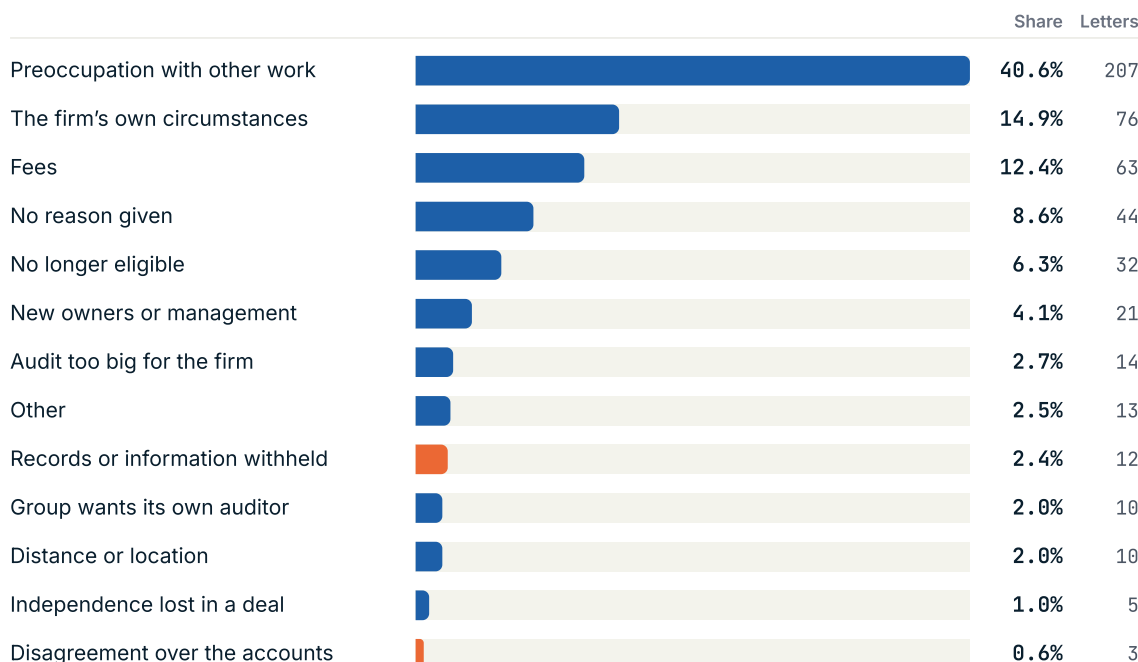
3 The reasons auditors give

91% of the exits we found have the details SEBI requires on file, including the auditor's reason in its own words. We sorted each letter's main reason into one of thirteen groups.

FIGURE 4

Four in ten letters give the same reason: “preoccupation”

The main reason given in each resignation letter or SEBI disclosure, 510 exits



Reasons in the auditors' and companies' own words, sorted into groups. Orange marks the two groups that point at the company. **Source: MarketPing.**

“Preoccupation” with other work is the reason in 207 letters, 41%. The firm's own circumstances come next, in 76: a partner who left or died, a proprietor's health, a firm closing or merging. Fees come third, in 63, usually that the fee did not match the work a listed company's audit now takes. 32 firms were no longer eligible to continue, for reasons such as a lapsed peer review certificate, a limit on the number of audits a firm may hold, or a regulator's allotment, and 21 left after a change of owners or management. 44 letters give no reason at all.

“Preoccupation”

The word appears in letters from firms that are too busy, firms that are giving up small listed clients, and firms that would rather not say why they are leaving. It is a form of words more than a diagnosis, and this study reports it as given.

Almost every letter clears the company. 442 of 510 (87%) state that the auditor had no concerns, or no reason other than the one given. The audit committee's own views on the resignation, which SEBI also asks the company to file, are on record for 247 (48%).

4 The letters that point at the company

FIGURE 5

16 of 540 exits came with a letter that points at the company

Every statutory auditor exit, April 2025 to September 2026, one square each

■ The letter points at the company (16) ■ A reason about the firm, the fee or the group (462)
■ No reason on file (62)



Pointing at the company: records or information not provided, management not co-operating, a disagreement over the accounts, or concerns the auditor reported. The rest give a reason about the audit firm, the fee, the company's group or its new owners, or none. **Source: MarketPing.**

16 exits, 3.0%, came with a letter that points at the company. In 12 the auditor says it could not get the books, records or information it needed, or that management did not co-operate. In 2 it records a difference of view over the accounts, or allegations it would not continue under. In 2 more, delays in records or a deadlock in the business sit alongside another stated reason. In 2 further cases the company removed the auditor, citing the auditor's own delays.

In the auditors' words, from four of these letters: "The necessary books of account, records and relevant information required for the purpose of limited review were not made available to us." "Due to non co-operating response of Management for the Audit of FY 2025-26." "Pervasive scope limitations, non-availability of books of account and supporting records." "Due to non-receipt of the required information, records, and supporting documents in a timely manner despite repeated requests."

How these were found

A language model flagged 23 letters that might point at the company, and each was then read in full. Five gave another reason on reading (a proprietor closing his practice, a partner joining another firm, a change of management, a term completed, no reason given), and two were removals by the company. Letters outside the flagged set were searched for words about records, information, co-operation and disagreement, and none pointed at the company.

5 At the largest companies, different reasons

29 companies worth ₹5,000 crore or more lost an auditor mid-term in the 18 months. Their reasons are of a different kind: a parent group bringing in an auditor from its own international network (5), an audit that outgrew a smaller firm (5), an auditor no longer eligible to continue, for example after a regulator's allotment or at the limit of its tenure (4), fees (3), and acquisitions that ended a firm's independence (2). 6 gave no reason in the filings we read.

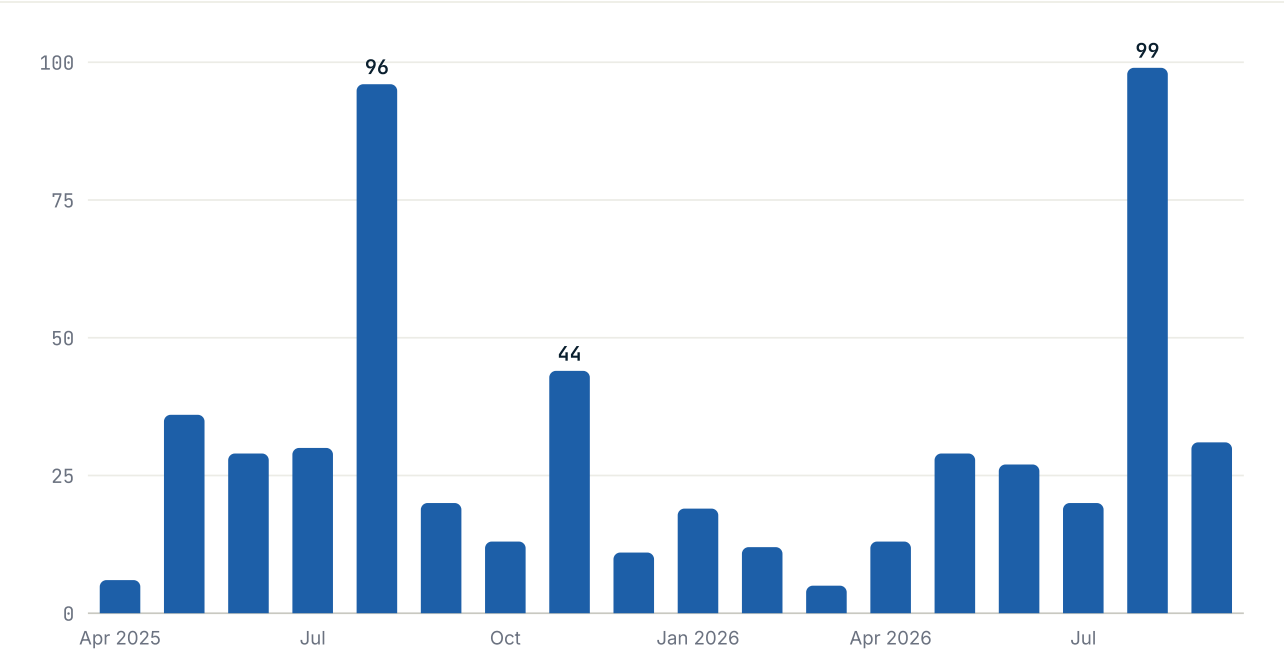
The Big 6 networks left 18 companies of every size. 9 of those exits made way for a parent's network or followed a deal that ended the firm's independence, and 3 were over fees, two of them after the company asked for a lower fee.

6 When auditors leave

FIGURE 6

Exits peak in August, as companies close the June quarter and call their AGMs

Statutory auditors leaving listed companies, by the month the resignation took effect



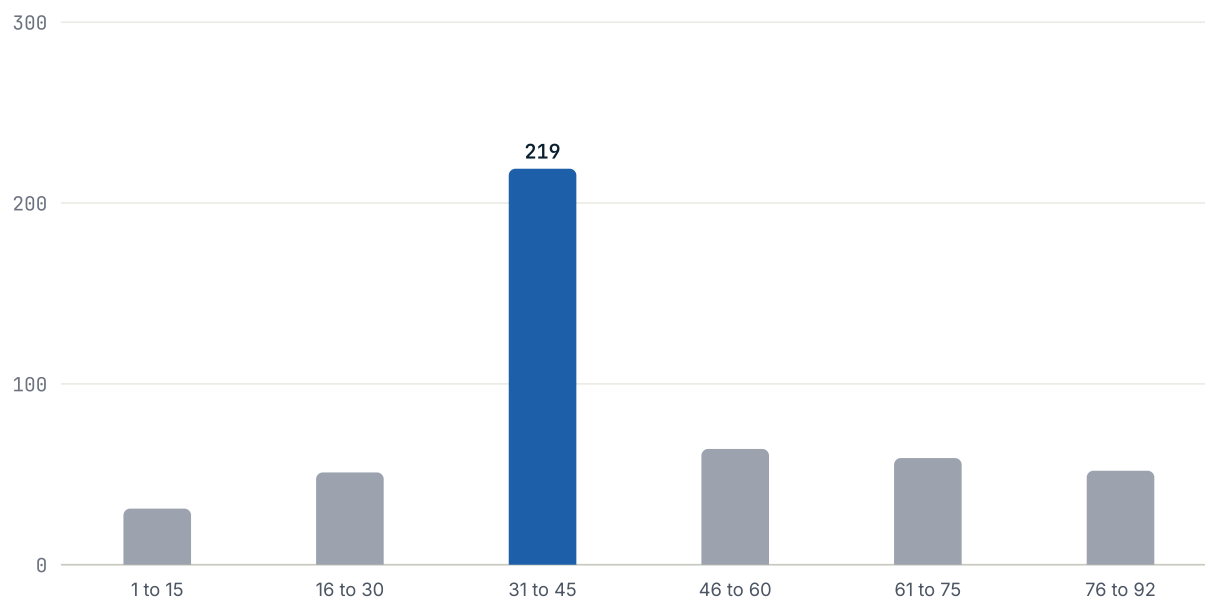
April 2025 to September 2026. The date is the one the filings give for the resignation; where none is given, the date of the first filing. **Source: MarketPing.**

Exits peak in August (96 in August 2025, 99 in August 2026), the month companies close the June quarter and send notices for their annual general meetings, and rise again in November with the September quarter.

FIGURE 7

Nearly half of the letters are dated in the two weeks before results are due

Days after the end of a quarter on which the auditor's resignation letter is dated, 476 letters



Quarterly results are due 45 days after a quarter ends (60 after the year ends). An even spread would put about one letter in six in any fifteen-day window. **Source: MarketPing.**

Within each quarter the letters are not spread evenly. 219 of the 476 letters that carry a date (46%) are dated between day 31 and day 45 after a quarter ends, the two weeks before that quarter's results are due. An even spread would put about one in six there.

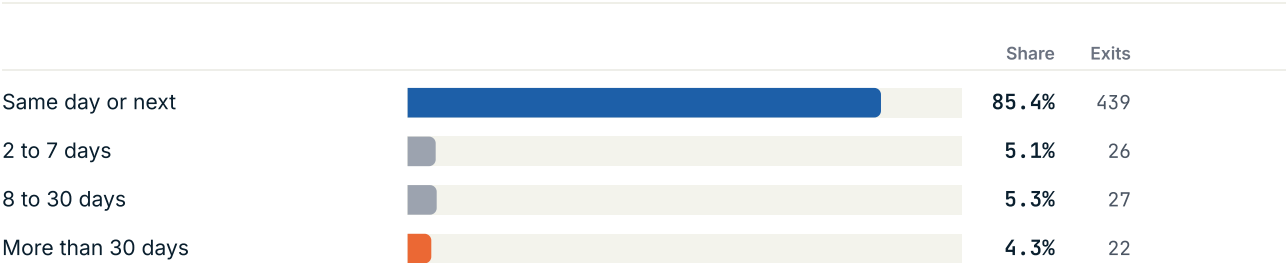
SEBI's 2019 circular ties an auditor's exit to this calendar. An auditor that resigns within 45 days of a quarter's end must first issue its review or audit report for that quarter; one that resigns later must also issue the next quarter's. The filings do not always say which reports the departing auditor signed, so this study does not measure whether the rule was followed.

7 How fast companies disclose it

FIGURE 8

85% of companies disclosed the resignation within a day

Days from the auditor's letter (or the resignation date) to the company's first filing about it, 514 exits



SEBI's rules give a listed company 24 hours to disclose an auditor's resignation once it receives the letter.
Source: MarketPing.

85% of companies filed the resignation on the day of the auditor's letter or the next day. 22 (4.3%) filed it more than 30 days later. SEBI's listing rules give a company 24 hours from receiving the letter.

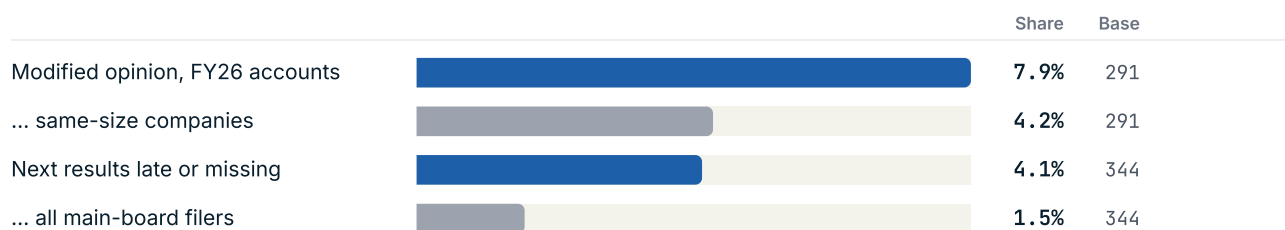
8 What happened next

Compared with what? Each measure below sets the companies whose auditor left against companies like them: companies of the same size for audit opinions, every main-board company filing for the same quarter for results, and every filing about a management change for the share price.

FIGURE 9 —

Afterwards, more modified audit opinions and late results than at companies like them

Companies whose auditor left, against comparable companies



Modified opinions from the SEBI "Statement on Impact of Audit Qualifications" filed with the FY26 annual results, for companies whose auditor left in FY26; the expectation weights each company by the rate in its size band. Late results: the first results filing for the quarter after the exit, against the 45-day (60 for the year) deadline, main board only. **Source: MarketPing.**

Audit opinions. 23 of the 291 companies whose auditor left in FY26 received a modified opinion (qualified, adverse or a disclaimer) on their FY26 accounts, 7.9%. Companies of the same size received one at a rate that would give 12.3, or 4.2%. Part of that gap was there before the auditor left: in FY25, 13 of the same companies (4.7%) already had a modified opinion.

Results. 14 of 344 main-board companies (4.1%) filed the next quarter's results after the deadline or not at all, against 1.5% of all main-board companies in the same quarters.

Share prices. On the first trading day after the resignation was filed, the median move was -0.06%, against -0.17% for all filings about management changes. Moves of more than 5% were slightly more common in both directions: 13.2% fell that much and 16.5% rose, against 11.9% and 12.9%. Three months on, the median company was 0.7 points behind companies of its size; six months on, 3.0 points behind, with 53% of them trailing. That is a small drift, not a fall.

What this does not show

That the auditor's exit caused what followed. Companies that lose an auditor were already more likely to have a modified opinion, and a small company in difficulty can lose its auditor and miss a deadline for the same reasons.

On the record

“Most auditors who quit a listed company in India leave a small company and say they are too busy. The few who say the books were withheld are the ones to read, and they say it plainly.”



Vinod Choudhary, Chartered Accountant and founder, MarketPing

Using this study

CC BY 4.0

Free to quote and republish. This study, with its charts and data, is licensed under Creative Commons Attribution 4.0, including for commercial use and news reporting.

YOU MAY

- ✓ Quote the findings and figures
- ✓ Reprint the charts, or redraw them in your own style
- ✓ Use the data in your own analysis

AS LONG AS YOU

- ✓ Credit MarketPing
- ✓ Link to this page where your format allows
- ✓ Give the data date: 30 September 2026

The licence covers this page only, not the rest of MarketPing or its data. See our **Terms**, section 9A.

How to cite

News story In print or online copy

Source: MarketPing analysis of NSE/BSE data, as of 30 September 2026
(marketping.in/studies/when-auditors-quit)

Chart or broadcast Under a chart, on screen or on air

Source: MarketPing (marketping.in)

Research paper APA style

Choudhary, V. (2026, October 2). 321 auditors quit listed companies mid-term in FY26, and few said anything was wrong [Data study]. MarketPing.
<https://marketping.in/studies/when-auditors-quit>

Downloads

Figure 1 321 auditors left listed companies mid-term in FY26; the count usually quoted is 71

Figure 2 One small main-board company in 8 lost its auditor mid-term in 18 months

Figure 3 The firms that leave are small: 85% sign for fewer than ten listed companies

Figure 4 Four in ten letters give the same reason: "preoccupation"

Figure 5 16 of 540 exits came with a letter that points at the company

Figure 6 Exits peak in August, as companies close the June quarter and call their AGMs

Figure 7 Nearly half of the letters are dated in the two weeks before results are due

Figure 8 85% of companies disclosed the resignation within a day

Figure 9 Afterwards, more modified audit opinions and late results than at companies like them

Every PNG carries the MarketPing logo, the figure number and the source line, so the credit travels with the chart.



Vinod Choudhary

Chartered Accountant and founder, MarketPing

Available for interviews and comment. We can also share issue-level data or run a figure for your story.

Logos, the author's photo and bio are in the **press kit**.

How we measured it

11,235

NSE and BSE filings
read

540

statutory auditor exits,
April 2025 to
September 2026

495

listed companies they
left

3,689

listed companies
whose auditor we
identified

30 Sep 2026

01 Filings

Every NSE and BSE announcement from 1 April 2025 to 30 September 2026 whose headline or summary mentions an auditor leaving (9,232 filings), plus filings whose full text says a statutory auditor resigned that the first search missed (2,003). The second search added 1 exit; the rest were later filings about exits already found.

02 Reading

A language model read each filing and recorded whether it concerns a statutory auditor leaving, of the company or a subsidiary; the firm and its ICAI registration number; the dates of the letter and the resignation; the reason in the auditor's words and in one of thirteen groups; whether the auditor reported concerns; and the successor and fees where given.

03 Exits

Filings about the same auditor leaving the same company were merged into one exit, dated by the resignation date the filings give, or else the first filing. A filing that only refers back to a resignation with no date could not be dated and was left out.

04 Letters that point at the company

Every letter the model flagged (23) was read in full, and the rest were searched for words about records, information, co-operation and disagreement.

05 Company size

Market value on 30 September 2026. SME boards: NSE Emerge (series SM and ST) and BSE SME (groups M and MT).

06 Audit firms

The firm that signs each listed company's accounts, from the ICAI registration numbers printed in its audited annual results for FY25 and FY26 (found for 3,689 companies). A company counts as audited by the Big 6 when any of its auditors belongs to a Big 6 network.

07 Against the published count

Prime Database's FY26 count (25 June 2026) covers the NSE main board and BSE-only companies above ₹1,000 crore, and counts auditors who resign during the year before completing its audit. We applied the same coverage, using today's market values, and left out auditors whose last report was the FY25 annual audit.

08 Afterwards

Modified opinions from the SEBI "Statement on Impact of Audit Qualifications" filed with each company's FY26 annual results; the expectation gives each company the rate of its size band. Late results: the first results filing after the quarter that followed the exit, against the 45-day deadline (60 days for the full year), main board only. Share prices: MarketPing's measured move on the first trading day after the first resignation filing, and month-end closing prices against the median company of the same size band.

What this can't tell you

⚠ Stated reasons

The study reports what the letters say. A firm may not write down its real reason for leaving.

⚠ Eighteen months

MarketPing's filing archive is continuous from April 2025. The trend over earlier years is Prime Database's, not ours.

⚠ Floors, not totals

The checks suggest we found nearly every exit: 94 of the 136 companies whose FY26 annual report says an auditor resigned during the year are in the data, and most of the rest are auditors who completed their term, which those reports also call a resignation. A resignation mentioned only deep inside a long filing can still be missed.

⚠ A model's reading

Each filing was read by a language model. In a hand check of 30 random exits, all 30 were genuine resignations and the reason group was right in about 27.



End of term

A few firms filed the end of their ten-year term as a resignation shortly before the AGM, and some of those are counted.



Today's sizes

Companies are sized by their market value on 30 September 2026, not on the day of the exit; companies that stopped trading drop out of the price comparison.



Opinions

A modified opinion is found from the SEBI statement filed with the annual results. A company that filed its results without it is counted as unmodified.



Not causal

The comparisons describe what followed an exit, not what the exit caused.



Not a recommendation

This study describes groups of companies and audit firms. It is not a recommendation about any security, and it makes no finding about any company or firm.



ABOUT THE AUTHOR

Vinod Choudhary

Chartered Accountant and founder, MarketPing

Vinod Choudhary is a Chartered Accountant and the founder of MarketPing. He spent four years in statutory audit, reviewing the accounts and investment portfolios of mutual funds, banks, NBFCs and fintech companies, and has since worked in corporate finance, building financial models and data tools. He ranked 23rd in India in the CA Intermediate examination. At MarketPing he leads the data work behind the platform and its studies.

2 October 2026: First publication.

Facts from public exchange data. Not investment advice, and not a recommendation about any security or IPO.