भारतीय सनदी लेखाकार संस्थान

(संसदीय अधिनियम द्वारा स्थापित)

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

[DISCIPLINARY COMMITTEE BENCH-II (2026-2027)]
[Constituted under Section 21B of the Chartered Accountants Act, 1949]

ORDER UNDER SECTION 21B(3) OF THE CHARTERED ACCOUNTANTS ACT, 1949 READ WITH RULE 19(1) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATIONS OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007.

File No.: [PR/31/2022/DD/55/2022/DC/1657/2022]
In the matter of:

Shri Vijay Bhutda,
PA 7, Shraddhanand Marg,
Street No. 2, Sanyogita Ganj,
Indore– 452001

.... Complainant

Versus

CA. Jaydip Jayantilal Joshi (M. No. 170300)
M/s Joshi & Shah., Chartered Accountants

Present Address	Address in Prima facie Opinion
101, 1st Floor, Trimurti, NR H P Gas Agency, Ghanshyam Gupta Road, Dombivli (W), Thane, **Maharashtra - 421202**	Madhav Bhuvan, AT Devisar, Nakhatarana- Kutch **Gujarat – 370665**

...Respondent

MEMBERS PRESENT:
1. **CA. Prasanna Kumar D, Presiding Officer**
2. **CA. Mahesh Shah, Government Nominee**
3. **CA. Satish Kumar Gupta, Member**
4. **CA. Hans Raj Chugh, Member**

DATE OF HEARING	**: 03rd October 2026**
DATE OF PRONOUNCEMENT OF ORDER	**: 03rd October 2026**
DATE OF ORDER	**: 03rd October 2026**

1. That vide Findings dated 29th August 2026 under Rule 18(17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Disciplinary Committee was, inter-alia, of the opinion that

CA. Jaydip Jayantilal Joshi (M. No. 170300) (hereinafter referred to as the **Respondent**) is **GUILTY** of Professional Misconduct falling within the meaning of Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

2. That pursuant to the said Findings, an action under Section 21B (3) of the Chartered Accountants (Amendment) Act, 2006 was contemplated against the Respondent and communication was addressed to him thereby granting an opportunity of being heard in person/ through video conferencing and to make representation before the Committee on **03rd October 2026.**

3. The Committee noted that on the date of hearing on **03rd October 2026**, the Respondent was present through VC. During the hearing, the Respondent made verbal submissions and also referred to the written representation dated 01st October 2026 on the Findings of the Committee. The Committee noted the written representation of the Respondent dated 01st October 2026, and verbal submissions on the Findings of the Committee, which, inter alia, are as under: -

- That the Certificate states that UltraTech had the largest sales value and cement manufacturing capacity among major cement companies in India and, "In view of the aforesaid," its claim as "India's No.1 Cement" was fair. In view of this, he has carried out due diligence regarding sales and manufacturing capacity and all other major cement companies operating in India to arrive at conclusion in the Certificate.
- That para 8.6 of finding records that the Respondent studied Annual Reports and conducted comparative analysis of sales value and manufacturing capacity over multiple years. Having acknowledged such verification, the Committee should have identified what additional professionally mandatory procedure was required and why the procedures undertaken were inadequate.
- That the Committee's observation in para 8.8 that the certificate did not specify the basis of the "number one" claim is inconsistent with its own finding in para 8.6 that sales value and manufacturing capacity were the parameters examined.
- That in para 8.9 records the absence of adequate supporting evidence, despite acknowledging the Respondent's comparative analysis and examination of Annual Reports/public-domain information. Without identifying the specific evidentiary deficiency, such observation cannot establish failure to exercise due diligence.
- That the Committee's observation that the certificate could convey a wider impression does not establish professional negligence, particularly when the certificate contains no statement regarding quality. No incorrect sales figure, manufacturing capacity, Annual Report or other factual information relied upon by the Respondent has been identified.
- That the UDIN document description specifically states "certificate in regard to the highest sales value and manufacturing capacity in the cement industry." Therefore, there was no question of misleading the reader, and the Respondent humbly submits that he may be exonerated.
- That the certificate was issued at the time of COVID, the Respondent was newly qualified and requested to take a lenient view.

4. In view of the submissions of the Respondent that he had carried out certain verification procedures such as study of the Annual Reports and comparative analysis of financial and operational parameters like sales value and manufacturing capacity of selected cement companies for multiple years, the Committee is of the view that a certificate issued by a Chartered Accountant carries substantial value and public credibility, and therefore must be drafted with utmost precision and clarity, leaving no scope for ambiguity or misinterpretation, particularly where such certification is likely to be relied upon by stakeholders and members of the public.

5. The Committee considered the reasoning as contained in Findings holding the Respondent 'Guilty' of Professional Misconduct vis-à-vis verbal and written submissions of the Respondent. The Committee noted that the issues/ submissions made by the Respondent as aforestated have been dealt with by it at the time of hearing under Rule 18.

6. Thus, keeping in view the facts and circumstances of the case, material on record including verbal and written submissions of the Respondent on the Findings, the Committee observed that Respondent has issued a certificate in favour of M/s Ultratech Cement Limited (hereinafter referred to as "Company'') confirming claim of Company as "India's No 1 Cement" on the basis of sales values and manufacturing capacity of the Company and further on the basis of information available on public domain and other information's shared to him.

7. The Committee observed that the Respondent had carried out certain verification procedures such as study of the Annual Reports and comparative analysis of financial and operational parameters like sales value and manufacturing capacity of selected cement companies for multiple years and such analysis was quantitative in nature and related to volume-based parameters. Further, upon examination of the certificate as issued, the Committee observed that the same was vague and ambiguous as it failed to clearly specify the precise basis or parameters, whether sales volume, production capacity or otherwise, on which the claim of being "number one" had been certified. The Committee further noted that the Respondent himself admitted that he was neither competent nor engaged to certify the quality of the cement; nevertheless, the language employed in the certificate was broad and capable of conveying a wider impression to the public at large.

8. The Committee noted the provisions of 'Guidance Note on Reports or Certificates for Special Purposes' (Revised 2016) and was of the view that the Respondent failed to place on record adequate supporting evidence or documentation to substantiate the basis of the certification, as mandated under the above Guidance Note. The Committee was of the view that such certificates issued by Chartered Accountants are required to be precise, unambiguous, and founded upon verifiable and demonstrable evidence. Therefore, the Committee held that the Respondent failed to exercise due diligence and care expected of a Chartered Accountant while issuing the impugned certificate. Hence, the Professional Misconduct on the part of the Respondent is clearly established as spelt out in the Committee's Findings dated 29th August 2026 which is to be read in consonance with the instant Order being passed in the case.

9. The Committee further clarifies that the scope of the present proceedings are confined solely to the examination of the role, conduct, and professional responsibility of the Respondent in relation to the issuance of the certificate in question, and do not relate to the technical or business-related aspect pertaining to the company concerned.

10. Accordingly, the Committee was of the view that the ends of justice would be met if punishment is given to him in commensurate with his Professional Misconduct.

11. **Thus, the Committee, keeping in view the facts and circumstances of the case, material on record and representation of the Respondent before it, and upon considering the seriousness of charges and the gravity of the matter, ordered that CA. Jaydip Jayantilal Joshi (M. No. 170300), Maharashtra be REPRIMANDED, removed his name from the Register of Members for a period of three (03) months and also imposed a fine of Rs. 1,00,000/- (Rupees One Lakh only) upon him which shall be paid within a period of 60 (sixty) days from the date of receipt of the order.**

Sd/-
(CA. PRASANNA KUMAR D)
PRESIDING OFFICER

Sd/-
(CA. MAHESH SHAH)
GOVERNMENT NOMINEE

Sd/-
(CA. SATISH KUMAR GUPTA)
MEMBER

Sd/-
(CA. HANS RAJ CHUGH)
MEMBER

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy
निशा शर्मा / Nisha Sharma
सहायक सचिव / Assistant Secretary
अनुशासनात्मक निदेशालय / Disciplinary Directorate
भारतीय सनदी लेखाकार संस्थान
The Institute of Chartered Accountants of India
आई.सी.ए.आई. भवन, सी–1, सेक्टर–1, नोएडा–201301 (उ.प्र.)
ICAI Bhawan, C-1, Sector-1, Noida-201301 (U.P.)

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – II (2026-2027)]

[Constituted under Section 21B of the Chartered Accountants Act,1949]

Findings under Rule 18(17) of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007

File No:- [PR/31/2022/DD/55/2022/DC/1657/2022]

In the matter of:
Shri Vijay Bhutda,
PA 7, Shraddhanand Marg,
Street No. 2, Sanyogita Ganj,
Indore– 452001 **.....Complainant**

Versus

CA. Jaydip Jayantilal Joshi (M. No. 170300)
M/s Joshi & Shah., Chartered Accountants

Present Address	Address in Prima facie Opinion
101, 1st Floor, Trimurti, NR H P Gas Agency, Ghanshyam Gupta Road, Dombivli (W), Thane, Maharashtra - 421202	Madhav Bhuvan, AT Devisar, Nakhatarana- Kutch **Gujarat – 370665**

.....Respondent

MEMBERS PRESENT:
CA. Prasanna Kumar D, Presiding Officer (In person)
CMA Chandra Wadhwa, Government Nominee (In person)
CA. Mahesh Shah, Government Nominee (In person)
CA. Satish Kumar Gupta, Member (In person)
CA. Hans Raj Chugh, Member (In person)

DATE OF FINAL HEARING : **17th April 2026**
DATE OF DECISION TAKEN : **25th July 2026**
DATE OF PRONOUNCEMENT OF DECISION : **29th August 2026**

PARTY PRESENT:
Complainant : **Shri Vijay Bhutda** (Through VC)
Counsel for the Complainant : **CA. Akshat Baheti** (Through VC)
Respondent : **CA. Jaydip Jayantilal Joshi** (Through VC)
1. **Counsel for the Respondent** : **CA. C. N. Vaze** (Through VC)

1. Background of the Case:

1.1 The Respondent has issued a certificate dated 5th July, 2021 in favour of M/s Ultratech Cement Limited confirming claim of Ultratech Cement Ltd as 'India's No 1 Cement' on basis of sales values and manufacturing capacity of Ultratech Cement Ltd.

2. Charges in brief:

2.1 That the Respondent has issued a certificate in favour of M/s Ultratech Cement Limited (hereinafter referred to as "Company") confirming claim of Company as "India's No 1 Cement" on the basis of sales values and manufacturing capacity of the Company and further on the basis of information available on public domain and other information's shared to him. The Complainant further alleged that how a Chartered Accountant has power to issue a certificate which is not about figure fact.

2.2 That the Respondent has nowhere mentioned the names of other companies to whom he has compared with the data of Company.

2.3 That Cement comes under mandatory certifications of Bureau of Indian Standards vide publication of special Gazette No. 159 dated 17.02.2003 and no one in India can Manufacture/ sale/ import any type of cement without Certification of Bureau of Indian Standards (BIS).

2.4 That the Respondent had hided half part of his finding i.e., Largest Sales Value and Largest Cement Manufacturing Capacity. The Complainant alleged that in his certificate nowhere he has mentioned India's No 1 cement selling Company or Manufacturing Company, instead they are certifying India's No. 1 cement which leads to the quality of Cement.

2.5 That all the cement manufacturers having same IS code certification for different types of cement. In that case how a Chartered accountant can certify India's NO 1 cement". As there is no IS code for India's No 1 Cement with Bureau of Indian Standards.

2.6 That Respondent had issued misleading certificate on basis of Published results, Information available on public domain and other information's shared to him. Neither he himself audited the facts nor he had knowledge of mandatory BIS Certification for cement.

2.7 That the Respondent has confirmed claim India's No 1 cement of Company, which is qualitative and he has no power to confirm qualitative claim of any of his client and he can confirms the facts in figures only.

3. <u>The relevant issues discussed in the Prima facie opinion dated 04th October 2022 formulated by the Director (Discipline) in the matter in brief, are given below:</u>

3.1 Regarding the charge as mentioned in para 2 above, on the perusal of documents and information available on record, it was noted that the Respondent had issued a certificate dated 5th July, 2021.

3.2 It was noted that the said certificate gave the impression that the Respondent had certified the quantity as well as the quality of Cement of M/s Ultratech Cement Limited. In this regard, the Respondent, in his Written Statement, had mentioned that he had issued the above certificate on the basis of examination of published results, Annual Reports available in the public domain, and additional information related to the industry. The Respondent had further stated that, subsequent to his examination of the said information, it had been observed that the Company had the largest sales value and the largest cement manufacturing capacity amongst all major cement companies operating in India. The Respondent also submitted details of sales value and manufacturing capacity of multiple companies.

3.3 In this regard, Para 3 of 'Guidance Note on Audit Reports and Certificates for Special Purposes' (Revised 2016) was also noted.

3.4 From the perusal of the above certificate and keeping in view the paragraph of the 'Guidance Notes on Reports or Certificates for Special Purpose', it was noted that while issuing the certificate, the Respondent had only checked and compared the sales and manufacturing capacity of certain companies, namely M/s ACC Limited,

M/s Ambuja Cements Limited and M/s Shree Cement Limited, as claimed by the Respondent through his Written Statement. However, the Respondent had certified in his certification that the claim of M/s Ultratech Cement Ltd as India's No. 1 Cement was fair based on independent verification of facts, figures and information available, which itself covered all aspects such as volume, quality, etc. Further, the Respondent had failed to provide any evidence on record or to justify as to on what basis he had certified M/s Ultratech Cement Ltd as India's No. 1 Cement. Further, the Respondent had himself admitted in his Written Statement that he had not been competent to comment upon the quality of the cement.

3.5 The Director (Discipline) in his Prima Facie Opinion dated 04th October 2022 opined that the Respondent was Prima Facie **GUILTY** of Professional Misconduct falling within the meaning of Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949. The said Clause of the Schedule to the Act, states as under:

Clause (7) of Part-I of Second Schedule

"A chartered accountant in practice shall be deemed to be guilty of professional misconduct, if he–

x x x x x x

"(7) does not exercise due diligence or is grossly negligent in the conduct of his professional duties."

3.6 The Prima Facie Opinion formed by the Director (Discipline) was considered by the Disciplinary Committee in its meeting held on 31st October 2022. The Committee on consideration of the same, concurred with the reasons given against the charges and thus, agreed with the Prima Facie Opinion of the Director (Discipline) that the Respondent is **GUILTY** of Professional and Other Misconduct falling within the meaning of Clause (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949 and accordingly, decided to proceed further under Chapter V of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

4. **Date(s) of Written Submissions/Pleadings by parties:**

4.1 The relevant details of the filing of documents in the instant case by the parties are given below:

S. No.	Particulars	Dated
1.	Date of Complaint in Form 'I' filed by the Complainant	08th March 2022
2.	Date of Written Statement filed by the Respondent	20th April 2022
3.	Date of Rejoinder filed by the Complainant	19th May 2022
4.	Date of Prima Facie Opinion formed by Director (Discipline)	04th October 2022
5.	Written Submissions filed by the Respondent after PFO	08th January 2023 and 17th April 2026
6.	Rejoinder filed by the Complainant after PFO	30th January 2023

5. **Written Submissions filed by the Respondent:**

5.1 The Respondent vide his letter dated 08th January 2023, inter-alia, made the submissions which are given as under:

i. That the certificate used the term "fair" (not "correct") regarding the company's claim of being "No.1 cement," emphasizing that "fair" has a different meaning and has not been proven to be incorrect or unfair.

ii. That the certificate clearly mentioned it was based on independent verification of facts, figures, and available information, and that a Chartered Accountant certifies only factual data, not product quality. He further submitted that no reasonable person would infer anything about product quality from the certificate, making the likelihood of being misled extremely low.

iii. That the company (UltraTech Cement Ltd.) did not base its claim on his certificate; rather, the claim already existed based on production and sales, and he merely reiterated it as fair.

iv. That the term "No.1" generally refers to quantity (such as sales or circulation) and not quality, drawing parallels with common industry practices. He invoked the principle of ejusdem generis, stating that statements must be read in context, and argues that the complaint is frivolous and motivated by personal vendetta, constituting misuse of ICAI's disciplinary process.

v. That the UltraTech Cement's sales turnover and manufacturing capacity are significantly higher than competitors, suggesting strong market performance, while clarifying that he did not certify product quality. He emphasized that statements

should not be interpreted in isolation but in context and maintains that no reader would be misled by the certificate.

vi. That the UDIN description explicitly stated the certificate pertains to highest sales value and manufacturing capacity, reinforcing that it relates to quantitative data only. He concludes by requesting exoneration and cautions that failure to do so may encourage frivolous complaints against professionals.

5.2 Further, the Respondent vide his letter dated 17th April 2026, inter-alia, made the submissions which are given as under:

i. That in his certificate, he had appropriately supported his view by studying the Annual Report, analysing and comparing the statistics of turnover, quantity produced, profitability, etc., and this comparative exercise had been carried out in respect of four near competitors and for three years.

ii. That he had studied the consistency of performance on many parameters, and the complainant had not brought out anything to prove that the claim was unfair.

iii. That the Respondent further submitted that he had nowhere used the words like 'quality' or 'best', etc. Further, he had stated that the claim of the company was 'fair' and had not used the word 'correct', and the same was to be read in the context of what was stated in the first part of the certificate.

6. **Rejoinder filed by the Complainant:**

6.1 The Complainant vide his letter dated 30th January 2023, inter-alia, made the submissions which are given as under:

i. That the phrase "India's No.1 Cement" is used by the Company as a core marketing claim implying best quality and treating it as trivial reflects professional negligence. It is contended that as per ICAI's Guidance Note, a "certificate" implies absolute assurance, leaving no scope for ambiguity or misinterpretation, and any limitations should have been explicitly stated.

ii. That "No.1" in common understanding includes both qualitative and quantitative aspects, and cites case laws to argue that unclear or assumption-based certificates amount to professional negligence. Reference is made to the Company's prior

marketing campaign to show that the "No.1" claim included quality aspects, which the Respondent should have considered before issuing the certificate.

iii. That since the certificate was addressed "To Whomsoever It May Concern," any person (including the Complainant) is entitled to rely on it, and the Respondent cannot deny responsibility. It is alleged that the Company used the Respondent's certificate as the basis for its claim on its official website, contradicting the Respondent's assertion.

iv. The Respondent merely reiterated the Company's claim, stating that the certificate indicates independent verification by the Respondent. The Complainant maintains that "No.1" implies "best quality" to a common person, and thus the certificate effectively validates all claims, including quality-related ones.

v. That the principle of ejusdem generis is argued to be inapplicable, as certificates must be clear, conclusive, and free from interpretation. It is alleged that the Respondent ambiguously certified "largest sales value" without specifying product segments, despite the Company operating in multiple business areas.

vi. That the Respondent assumed that higher sales imply superior quality, which is incorrect and beyond professional scope, making the certificate misleading. The analogy given by the Respondent (student scoring highest marks) is rejected, arguing that performance metrics alone do not determine overall superiority or quality.

vii. That the certificate should be read contextually, asserting that its wording clearly validates all Company claims, including those related to quality. It is submitted that the UDIN description does not override the certificate's wording, and if the certificate was misused or altered, the Respondent should have issued a public clarification.

7. **Brief facts of the Proceedings:**

7.1 The details of the hearing(s)/ meetings fixed and held/adjourned in said matter is given as under:

S. No.	Date of meeting(s)	Status
1.	09th June 2023	Oath taken by both parties and adjourned.
2.	17th April 2026	Hearing concluded and Findings Reserved.
3.	25th July 2026	Decision Taken.

7.2 On the day of first hearing held on 09th June 2023, the Committee noted that the Respondent was present at the BKC office of the ICAI at Mumbai. The Committee further noted that the Complainant was present through Video Conferencing Mode. Both parties i.e., the Complainant and the Respondent were administered on Oath. Thereafter, the Committee enquired from the Respondent as to whether he was aware of the charges against him and whether he pleads guilty. The charges as contained in prima facie opinion were also read out. On the same, the Respondent replied that he is aware of the charges and pleaded 'Not Guilty' to the charges levelled against him. Thereafter, looking into the fact that this was the first hearing, the Committee decided to adjourn the hearing to a future date.

7.3 On the day of hearing held on 17th April 2026, the Committee noted that Respondent along with his Counsel and Complainant along with his Counsel were present through VC and appeared before it.

Thereafter, the Committee noted that the case was part heard and the Respondent and the Complainant were already on oath. The Committee enquired from the Respondent that since the composition of the Committee had changed subsequent to the last hearing held on 09.06.2023 in this case, whether he wished to have a de-novo hearing by taking all submissions/representations already on record or may continue from the stage it was last heard. The Respondent submitted that the proceedings in the instant matter(s) be continued from the stage these were last heard.

The Committee directed the Respondent/Counsel for the Respondent to make their submissions. The Counsel for the Respondent submitted that the issue involved pertained to a certificate issued by the Respondent based on certain facts and figures. The Respondent had merely stated that the claim of the company being "number one cement" is fair and had not certified the claim as correct nor commented upon quality. The Respondent conducted due diligence, including examination of annual reports and comparison of competitors' figures over three years, demonstrating that the company's production capacity and sales were significantly higher. It was further argued that "number one" is not indicative of quality

but may relate to quantitative parameters, and the term "fair" implies a reasonable and well-founded claim.

The Counsel for the Complainant submitted that certificates must be precise and free from ambiguity. He stated that the Respondent verified only limited parameters but certified the claim broadly, which could be construed as covering all aspects, including quality. He further argued that the Respondent himself admitted lack of competence to comment upon quality. Further, he submitted that the certificate was ambiguous, enabling the company to use it in marketing campaigns suggesting qualitative superiority.

The Counsel for the Respondent further submitted that the certification was limited to quantitative data and that any alleged misuse by the company is beyond the Respondent's responsibility. He referred to judicial principles distinguishing negligence from gross negligence and emphasizing the requirement of lack of honesty or reasonableness for misconduct. The Committee noted the submissions of both the parties.

Based on the documents and material available on record and after considering the oral and written submissions made by both the parties, the Committee concluded the hearing in the matter and judgment was reserved.

7.4 At the meeting held on 25th July 2026, the Committee noted that the subject case was heard by it at length in the presence of the Complainant and the Respondent and the hearing was concluded at its meeting held on 17th April 2026 and the Findings was reserved. The Committee considered the material on record including submissions of the parties. The Committee deliberated in detail on the said case and took decision on the conduct of the Respondent.

8. **Findings of the Committee:**

8.1 With regard to charge as mentioned in para 2 as above, the Committee noted that the issue pertained to the issuance of a certificate dated 5th July 2021 in favour of M/s Ultratech Cement Limited confirming claim of Ultratech Cement Ltd as 'India's No 1 Cement'.

8.2 The Committee noted that the Respondent has stated in his certificate dated 05th July 2021 as follows:

"This is to certify that we have examined the published results, information available on public domains and additional information shared with us of the major cement producing companies in India for period FY 2020-21 and on the basis of examination of such information, we hereby certify that M/s Ultra Tech Cement Limited has the largest sales value among all major Cement Companies Operating in India.

Also upon the examination of various data sources, we confirm that M/s Ultra Tech Cement Limited has the largest Cement manufacturing capacity amongst the Cement Companies operating in India.

In view of the aforesaid, we confirm that the claim of M/s Ultratech Cement Ltd as India's No 1 Cement is fair based on the independent verification of facts, figures and information available."

8.3 The Committee noted the submissions of the Respondent that the certificate was issued on the basis of examination of published financial results, annual reports available in the public domain, and certain additional industry-related information. The Respondent has further stated that upon such examination, it was observed that the Company had the highest sales value and the largest cement manufacturing capacity amongst the major cement companies operating in India. The data for the same has been extracted as below:

S. No.	Name of Company	Sales Value (FY 2020-21) Rs. in Crores)	Manufacturing Capacity (FY 2020-21) (MTPA)
1.	M/s Ultratech Cement Limited	43,188.34	116.8
2.	M/s ACC Limited	16,151.35	34.45
3.	M/s Ambuja Cements Limited	13,964.95	31.45
4.	M/s Shree Cement Limited	12,588.39	43.40

The Committee also noted the comparative position of the above companies for two previous financial years as well.

8.4 The Committee noted that the Respondent had generated UDIN on 05th July 2021 for the above certificate on the following grounds:

- *Largest sales value among all major cement companies operating in India.*
- *The largest cement manufacturing capacity amongst the cement companies operating in India.*

8.5 The Committee noted that Para 3 of 'Guidance Note on Audit Reports and Certificates for Special Purposes' (Revised 2016) reads as under:

"3. Sometimes, the applicable law and regulation or a contractual arrangement that an entity might have entered into, prescribe the wording of report or certificates. The wording often requires the use of word or phrase like "certify" or "true and correct" to indicate absolute level of assurance expected to be provided by the practitioner on the subject matter. ***Absolute assurance indicates that a practitioner has performed procedures as considered appropriate to reduce the engagement risk to zero."***

8.6 On perusal of the material on record, including the certificate, submissions of the parties and documents placed before it, the Committee observed that the Respondent had carried out certain verification procedures such as study of the Annual Reports and comparative analysis of financial and operational parameters like sales value and manufacturing capacity of selected cement companies for multiple years. The Committee noted that such analysis was quantitative in nature and related to volume-based parameters.

8.7 The Respondent's defence is primarily founded on the contention that the certificate in question was confined only to quantitative parameters, namely production capacity and sales volume, and that the expression "number one" was employed merely as a "fair" claim rather than as an absolute or qualitative endorsement. The Counsel for Respondent further submitted that there was never any intention to certify or comment upon the quality of the cement, and that any subsequent use,

interpretation, or alleged misuse of the certificate by the client cannot be attributed to the Respondent or treated as falling within the scope of his professional responsibility.

8.8 The Committee, however, is unable to accept the aforesaid defence. Upon examination of the certificate as issued, the Committee observed that the same was vague and ambiguous inasmuch as it failed to clearly specify the precise basis or parameters—whether sales volume, production capacity or otherwise—on which the claim of being "number one" had been certified. The Committee further noted that the Respondent himself admitted that he was neither competent nor engaged to certify the quality of the cement; nevertheless, the language employed in the certificate was broad and capable of conveying a wider impression to the public at large. The Committee is of the view that a certificate issued by a Chartered Accountant carries substantial value and public credibility, and therefore must be drafted with utmost precision and clarity, leaving no scope for ambiguity or misinterpretation, particularly where such certification is likely to be relied upon by stakeholders and members of the public.

8.9 The Committee viewed that the Respondent failed to place on record adequate supporting evidence or documentation to substantiate the basis of the certification, as mandated under the Guidance Note on Audit Reports and Certificates for Special Purposes' (Revised 2016). The Respondent's reliance upon analogies, industry practices, and generalized explanations cannot absolve him from the obligation to comply with the prescribed standards of professional conduct and due diligence, expected of a member of the profession. Such certificates issued by Chartered Accountants are required to be precise, unambiguous, and founded upon verifiable and demonstrable evidence. In view of the above, the Committee is of the opinion that the Respondent failed to exercise due diligence and care expected of a Chartered Accountant while issuing the impugned certificate.

8.10 The Committee further clarifies that the scope of the present proceedings and the findings recorded herein are confined solely to the examination of the role, conduct, and professional responsibility of the Respondent in relation to the issuance of the certificate in question, and do not relate to the technical or business-related aspect pertaining to the company concerned.

8.11 Accordingly, in view of the above facts and circumstances, the Committee holds that the Respondent 's actions do not meet the standard of care and diligence reasonably expected from a member of the profession. The Committee, thus, holds the Respondent **GUILTY** of Professional Misconduct under Clause (7) of Part I of the Second Schedule to the Chartered Accountants Act, 1949.

9. **Conclusion:**

9.1 In view of the findings stated in above paras, vis-a-vis material on record, the Committee gives its charge wise findings as under:

Charges (as per PFO)	**Findings**	**Decision of the Committee**
Para 2 as above	Para 8.1 to 8.11 as above	**Guilty-** Clause (7) of Part-I of Second Schedule .

10. In view of the above observations, considering the material on record including verbal and written submissions of the parties, the Committee held the Respondent **GUILTY** of Professional Misconduct falling within the meaning of Clause (7) of Part I of Second Schedule to the Chartered Accountant Act 1949.

Sd/-
(CA. PRASANNA KUMAR D)
PRESIDING OFFICER

Sd/-
(CMA CHANDRA WADHWA)
GOVERNMENT NOMINEE

Sd/-
(CA. MAHESH SHAH)
GOVERNMENT NOMINEE

Sd/-
(CA. SATISH KUMAR GUPTA)
MEMBER

Sd/-
(CA. HANS RAJ CHUGH)
MEMBER

DATE: 29.08.2026
PLACE: Noida

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