



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-I (2025-2026)]]

[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.

[PR/G/234/2021/DD/195/2021/DC/1964/2025]

In the matter of: -

**Shri. M. K. Sahoo, Additional Director
Serious Fraud Investigation Office (SFIO)
Ministry of Corporate Affairs, Government of India,
2nd Floor, Pt. Deendayal Antyodaya Bhawan,
CGO Complex, Lodhi Road,
New Delhi – 110003**

.....Complainant

Versus

**CA. (Mr.) Sunil Kumar Tibrewal (M. No. 054866)
Ria Residency,
19, SP Mukherjee Road,
Ground Floor, Murgasole,
Asansol- 713303**

.....Respondent

MEMBERS PRESENT: -

1. CA. Prasanna Kumar D, Vice President, ICAI & Presiding Officer (In Person)
2. Ms. Rani S. Nair, IRS (Retd.) (Government Nominee) (Through VC)
3. Shri Ajaib Singh, IA&AS (Retd.) (Government Nominee) (In Person)
4. CA. Vishnu Kumar Agarwal (Through VC)

Date of Hearing : 20.01.2026

Date of Order : 05.02.2026

1. That vide findings dated 22nd December 2025 issued 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


CA. (Mr.) Sunil Kumar Tibrewal (M. No. 054866), Asansol



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that **CA. (Mr.) Sunil Kumar Tibrewal (M. No. 054866)** (hereinafter referred to as the **Respondent**) is **GUILTY** of Professional Misconduct falling within the meaning of Item (5) & Item (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 him an opportunity of being heard in person / through video conferencing and to make his verbal representation before the Committee on 20.01.2026.

3. The Committee noted that on the aforesaid date of the hearing held on 20.01.2026, the Respondent was present through video conferencing. The Committee also noted that the Respondent vide his letter dated 09.01.2026 has made his written submissions to the findings of the Committee. The Committee noted that the Respondent has inter-alia made following written and verbal submissions to the findings of the Committee:

- (i) During the course of audit of the subject Company for FY 2012-13, it has come to his notice that the Company had only one shareholder, and this was immediately brought to the attention of the Management who took corrective action after the Balance Sheet date but prior to the issuance of his Audit report.
- (ii) That there was no suppression of facts or material misstatement on his part. He had no intent to mislead any stakeholder.
- (iii) That his statement recorded by the officials of Complainant Department has been challenged in the court of law.
- (iv) He stated that he did not qualify his audit report since the management has already taken corrective action before signing of his audit report. He also requested Committee to take a lenient view in the matter.

4. In the instant case, the Ministry of Corporate Affairs, Government of India in exercise of its powers under Section 212(1) (a) of the Companies Act, 2013 directed Complainant's department i.e., Serious Fraud Investigation Office (SFIO) to investigate into the affairs of M/s Prayag Infotech Hi-Rise Limited (hereinafter referred to as 'PIHRL') and its 21 Group Companies. The investigation has revealed that the Prayag Group was collecting funds from innocent investors under various camouflaged schemes. The Respondent was the Statutory Auditor of M/s Royal Concrete Products (P) Limited (hereinafter referred to as subject "Company" or "RCPPL") for the financial years 2011-12 to 2014-15 and this Company is one of the Group Companies of Prayag Group.

AT

CA. (Mr.) Sunil Kumar Tibrewal (M. No. 054866), Asansol



भारतीय सनदी लेखाकार संस्थान

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In the aforesaid background, the Complainant has alleged that the Respondent, being the Statutory Auditor of the Company for the FY 2012-13, failed to qualify his audit report regarding subject Company having only one shareholder, which is contrary to Section 12 of the Companies Act, 1956. The Committee pursued the financial statements of the subject Company and noted that Prayag Infotech Network Pvt. Ltd (PINPL) has been disclosed by the subject Company as holding 100% of its shares. The Respondent in his written statement had contended that he had advised the management to rectify such non-compliance, and it is on his advice only that the management has allotted one share to Mr. Basudeb Bagchi. The Committee noted that though the management has taken corrective action in the subsequent year i.e., 2013-14 however, no disclosure or qualification was made by the Respondent in his Audit Report for the FY 2012-13 regarding this statutory violation. The Committee further noted that when asked, the Respondent was also not able to furnish documentary evidence regarding the timing of such share transfer to Mr. Basudeb Bagchi. The Committee accordingly viewed that Respondent was grossly negligent in not reporting such failure on the part of subject Company.

5. The Committee concurred with the aforesaid reasoning as contained in the findings dated 22nd December 2025 holding Respondent **GUILTY** of Professional Misconduct falling within the meaning of Item (5) & Item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

6. Keeping in view the facts and circumstances of the case and the material on record including written and verbal submissions of the Respondent on the findings of the Committee, the Committee ordered that **the Respondent, CA. (Mr.) Sunil Kumar Tibrewal (M. No. 054866) be reprimanded along with a fine of Rs. 1,00,000/- (Rupees one lacs only) to be paid within 60 days of receipt of this Order.**

Sd/-

(CA. Prasanna Kumar D)
PRESIDING OFFICER

Sd/-

(Ms. Rani S. Nair, IRS (Retd.))
GOVERNMENT NOMINEE

Sd/-

(Shri Ajaib Singh, IA&AS (Retd.))
GOVERNMENT NOMINEE

Sd/-

(CA. Vishnu Kumar Agarwal)

MEMBER

सत्यापित होने के लिए प्रमाणित / Certified to be True Copy

अरुण कुमार / Arun Kumar

वरिष्ठ कार्यकारी अधिकारी / Sr. Executive Officer
अनुशासनसूचक निदेशालय / Disciplinary Directorate

भारतीय सनदी लेखाकार संस्थान

The Institute of Chartered Accountants of India

CA. (Mr.) Sunil Kumar Tibrewal (M. No. 054866) भारत-सीएआई भवन, सी-1, सेक्टर-1, नोएडा-201301 (उ.प्र.)
ICAI Bhawan, C-1, Sector-1, Noida-201301 (U.P.)

CONFIDENTIAL

DISCIPLINARY COMMITTEE [BENCH – I (2025-2026)]
[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

Ref. No. – [PR/G/234/2021/DD/195/2021/DC/1964/2025]

In the matter of:

Shri. M. K. Sahoo, Additional Director
Serious Fraud Investigation Office (SFIO)
Ministry of Corporate Affairs, Government of India
2nd Floor, Pt. Deendayal Antyodaya Bhawan
CGO Complex, Lodhi Road
Delhi - 110003

..... Complainant

Versus

CA. (Mr.) Sunil Kumar Tibrewal (M. No. 054866)
Ria Residency,
19, SP Mukherjee Road,
Ground Floor, Murgasole,
Asansol- 713303

..... Respondent

MEMBERS PRESENT: -

- i) CA. Prasanna Kumar D, Vice President, ICAI & Presiding Officer (In Person)
- ii) Ms. Rani S. Nair, IRS (Retd.) (Government Nominee) (In Person)
- iii) Shri Ajaib Singh, IA&AS (Retd.) (Government Nominee) (Through VC)
- iv) CA. Vishnu Kumar Agarwal, Member (Through VC)

DATE OF FINAL HEARING : 10-10-2025
PLACE OF FINAL HEARING : Noida


Sh. M.K. Sahoo, Addl. Director, SFIO, New Delhi vs CA. Sunil Kumar Tibrewal (M. No. 054866)

PARTIES PRESENT:

Counsel of the Complainant : **Adv. Arunendra Singh** (Through VC)
Respondent : **CA. Sunil Kumar Tibrewal** (Through VC)

1. **BRIEF OF THE DISCIPLINARY PROCEEDINGS: -**

i) **Brief of the Disciplinary Proceedings held on 10th July 2025**

On the day of first hearing held on 10th July 2025, the Committee noted that at the time of hearing the Respondent was present through Video Conferencing. Thereafter, the Respondent was put on oath. On being enquired from the Respondent as to whether he has received a copy of Prima Facie Opinion formed by Director (Discipline), he replied that he has received the copy of Prima Facie Opinion. On being asked as to whether he is aware of the charges levelled against him and whether he pleads guilty, he replied that he is aware of the charges and pleaded Not Guilty. Thereafter, the Committee decided to adjourn the matter to a future date. Accordingly, the matter was **Part Heard & Adjourned.**

ii) **Brief of the Disciplinary Proceedings held on 18th August 2025**

On the day of hearing held on 18th August 2025, the Committee noted that the Counsel of the Complainant and the Respondent were present through VC. Thereafter, the Respondent and the Complainant made their detailed submissions on the allegations. The Committee also posed questions to the Respondent and the Complainant. The Committee directed the Respondent and the Counsel of the Complainant to provide the following information/ documents within 7 days to the Committee: -

Directions to the Respondent: -

- (i) To provide the date when 100% shares were transferred to PINPL and the date when one share was transferred to Mr. Basudev Bagchi.

Directions to the Complainant: -

- (i) To inform the provisions under which an auditor is required to report about Company having single shareholder.

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(ii) To provide the date when 100% shares were transferred to PINPL and the date when one share was transferred to Mr. Basudev Bagchi.

With aforesaid directions, the Committee decided to adjourn the matter to a future date. Thus, the matter was **Part Heard & Adjourned**.

iii) Brief of the Disciplinary Proceedings held on 10th September 2025

On the day of hearing held on 10th September 2025, the Committee noted that the Counsel of the Complainant and the Respondent were present through VC. Thereafter, the Respondent and the Counsel of the Complainant made their detailed submissions on the allegations. After hearing the submissions of the parties, the Committee deliberated on the matter and perused the documents available on record. On perusal of documents, the Committee observed certain additional facts pertaining to Ms. Anita Tibrewal (admitted by the Respondent to be his wife). The Committee observed that as per the financial statements available on record, she is reported to be holding 13.33% shares of the subject Company during the financial year 2011-12. Moreover, her name is also appearing in Note 3.4 of Short-Term Borrowings in the preceding year figures of financial statements for FY 2011-12 for an amount of Rs. 1,05,610/-. After noting such additional facts, the Committee directed office to study and apprise the Committee about such additional facts along with other relevant areas of Investigation Report, if any, in the forthcoming meetings. With this the Committee decided to adjourn the matter to a future date. Accordingly, the matter was **Part Heard & Adjourned**.

iv) Brief of the Disciplinary Proceedings held on 10th October 2025

On the day of final hearing held on 10th October 2025, the Committee noted that the Counsel of the Complainant and the Respondent, both were present through VC. The Counsels of the Complainant and the Respondent made their detailed submissions on the allegations. The Committee also posed questions to the Counsel of the Complainant and the Respondent. Thereafter, the Committee perused all the documents available on record along with the Prima Facie Opinion formed by the Director (Discipline). The Committee also considered the detailed written and/or verbal submissions made by the parties during the course of hearing. After due deliberations and keeping in view the facts and circumstances of the case, material on record and the verbal and/ or written submissions of the Respondent, the Committee decided to conclude the hearing in the above matter.

2. **CHARGES IN BRIEF**

The Committee noted that in the Prima Facie Opinion dated 24th December 2024 formed by Director (Discipline) in terms of Rule 9 of the Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, the Respondent was held Prima Facie Guilty of Professional Misconduct falling within the meaning of Item (5) and Item (7) of Part-I of Second Schedule to the Chartered Accountants Act, 1949. The said clause/ item of the schedule states as under:

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

(5) "Fails to disclose a material fact known to him which is not disclosed in a financial statement, but disclosure of which is necessary in making such financial statement where he is concerned with that financial statement in a professional capacity"

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

3. **BRIEF BACKGROUND OF THE MATTER AND ALLEGATIONS: -**

Ministry of Corporate Affairs, Government of India in exercise of its powers under Section 212(1) (a) of the Companies Act, 2013 directed Complainant's department i.e., Serious Fraud Investigation Office (SFIO) to investigate into the affairs of M/s Prayag Infotech Hi-Rise Limited (hereinafter referred to as 'PIHRL') and its 21 Group Companies. Accordingly, SFIO conducted the investigation and submitted its Investigation Report dated 21st November 2019. The investigation has revealed that the Prayag Group was collecting funds from innocent investors under various camouflaged schemes.

The Respondent was the Statutory Auditor of M/s Royal Concrete Products (P) Limited (hereinafter referred to as subject "Company" or "RCPPL") for the financial years 2011-12 to 2014-15 and this Company is one of the Group Company of Prayag Group. In the aforesaid background, the Complainant has alleged that the Respondent has deliberately omitted to point out the various instances of material misrepresentations, falsification, material misstatement and inconsistencies in the financial statements of

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Sh. M.K. Sahoo, Addl. Director, SFIO, New Delhi vs CA. Sunil Kumar Tibrewal (M. No. 054866)

M/s Royal Concrete Products (P) Limited, thereby not reflecting true and fair view of the state of affairs of subject Company.

The Complainant has alleged following specific instances of material misrepresentations, falsification, material misstatement and inconsistencies in the financial statements of RCPPL in respect of which the Director (Discipline) has held Respondent Prima Facie Guilty of professional misconduct:

Allegation 1: That the Respondent as an auditor had omitted to qualify in his audit report that during the FY 2012-13, the subject Company had only one shareholder which is contrary to the provision of Companies Act, 1956 which provides that a Company should have at least two shareholders.

The Committee noted that in respect of instant allegation, the Respondent was held Prima Facie Guilty of professional misconduct falling under item (5) & (7) of Part I of the Second Schedule to the Chartered Accountant Act, 1949.

4. SUBMISSIONS OF THE PARTIES AND FINDINGS OF THE COMMITTEE:

The Committee noted that the Complainant has alleged that the Respondent has failed to disclose that during the Financial Year 2012-13, the subject Company had only one shareholder, which is contrary to the provisions of the Companies Act, 1956 requiring Companies to have at least two shareholders. In respect of instant allegation, the Committee noted that in the financial statement of the subject Company for the financial year 2012-13, the Company in Note 3.1 pertaining to Share Capital, under the head "Details of Shareholders holding more than 5% of shares in the Company", has disclosed all 3,00,000 shares (i.e., 100% Shares) in the name of Prayag Infotech Network Pvt. Ltd. (PINPL). It is observed that this Company i.e., PINPL has also been reported as the Holding Company of the subject Company RCPPL under Note 3.24 pertaining to Related Party Disclosures.

During the course of hearing and also through his Written Statement the Respondent has stated that at the time of conducting audit, he had observed that the subject Company had only one shareholder and the same was informed to the management of the Company that for compliance of the statutory requirements, there should be at least two shareholders in a Company. The Respondent stated that consequently, the management took corrective action by transferring one share to another individual namely Mr. Basudev Bagchi. He stated that this corrective measure is evident from the financial statements for the subsequent year, i.e., FY 2013-14. The Committee also

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noted that during the FY 2013-14, under Note 3.1 of Share Capital only 2,99,999 shares are reported against PINPL out of total 3,00,000 shares of the subject Company. Nevertheless, it is seen that during the FY 2012-13, no reporting about Company having only one shareholder was done by Respondent in his audit report.

- 4.1 During the course of hearing held on 18th August 2025, the Respondent was directed by the Committee to provide the dates when 100% shares were transferred to PINPL and the date on which one share was transferred to Mr. Basudev Bagchi. However, in subsequent hearing the Respondent expressed his inability to provide the desired details stating that the actual dates of transfer were recorded in the shareholder's register maintained by the subject Company and in the share transfer forms, but such details are not available with him since those documents were reviewed by him while conducting the audit but subsequently returned to the Company.
- 4.2 The Committee noted that Section 12 of the Companies Act, 1956 which provides for mode of forming an incorporated Company states as under:

"Section 12 – Mode of forming an incorporated company.

(1) Any seven or more persons, or where the company to be formed will be a private company, any two or more persons, associated for any lawful purpose may, by subscribing their names to a memorandum of association and otherwise complying with the requirements of this Act in respect of registration, form an incorporated company, with or without limited liability."

Thus, as per aforesaid provision of the Companies Act, 1956, a private company is required to have two or more persons for being incorporated as a Company whereas in the instant case RCPPL being a private company had only one shareholder as reported in the financial statements of FY 2012-13.

- 4.3 The Committee also noted that while responding to the queries of the Complainant Department, Respondent in response to Question no. 7 & 8 has also admitted that he has no explanation to the fact that in the financial statement of FY 2012-13, only one shareholder has been shown. He also admitted that there is no mention of such fact in his audit report and that he had not qualified his report & there is an omission.

The Committee noted that though the Respondent in his submission has stated that he has challenged his Statement on oath stating that the same was recorded under

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duress, however, the fact remains that in his audit report for the FY 2012-13, the Respondent has failed to report about Company having only one shareholder.

In view of the aforesaid provisions, the Committee viewed that the Respondent has failed to report non-compliance with the statutory requirement of the Companies Act, 1956. The Committee further observed that the Respondent in his professional capacity as a statutory auditor has not exercised due diligence and failed to disclose material facts known to him. Accordingly, the Committee decided to hold the Respondent **Guilty** of professional misconduct falling within the meaning of Item (5) & Item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

5. **CONCLUSION**

Thus, in the considered opinion of the Committee, as stated in para 4 to 4.3, the Respondent is **GUILTY** of Professional Misconduct falling within the meaning of Item (5) & Item (7) of Part I of Second Schedule to the Chartered Accountants Act, 1949.

Sd/-

(CA. Prasanna Kumar D)
PRESIDING OFFICER

Sd/-

(Ms. Rani S. Nair, IRS (Retd.))
GOVERNMENT NOMINEE

Sd/-

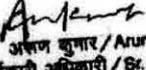
(Shri Ajaib Singh, IA&AS (Retd.))
GOVERNMENT NOMINEE

Sd/-

(CA. Vishnu Kumar Agarwal)
MEMBER

DATE: 22.12.2025

PLACE: New Delhi

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अरुण कुमार / Arun Kumar
वरिष्ठ कार्यकारी अधिकारी / Sr. Executive Officer
अनुशासनमय विभाग / 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.)