THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

[PR/41/2023/DD/174/2023/BOD/832/2025]

ORDER UNDER SECTION 21A (3) OF THE CHARTERED ACCOUNTANTS ACT, 1949 READ WITH RULE 15 (1) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATIONS OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007

IN THE MATTER OF:

CA. Anurag Sangal (M. No. 071539)
Partner, Anurag Sangal & Co.
Tilak Complex, 27, First Floor, Tilak Road
Dehradun..**Complainant**

Versus

CA. Nanak Narang (M. No. 416419),
Partner, M/s. Vimal Kishore & Associates LLP
50 Alaknanda Enclave, Lane I, GMS Road
Dehradun..**Respondent**

[PR/41/2023/DD/174/2023/BOD/832/2025]

MEMBERS PRESENT:

CA. Babu Abraham Kallivayalil, Presiding Officer (In Person)
Dolly Chakrabarty, Government Nominee (In Person)
CA. Pankaj Shah, Member (Through Video Conference)

Date of hearing and passing of Order: 19th June 2026

1. The Board of Discipline vide its findings dated 31st January 2026, was of the view that **CA. Nanak Narang (M. No. 416419)** is **GUILTY** of Professional Misconduct falling within the meaning of Items (6) & (8) of Part I of the First Schedule to the Chartered Accountants Act, 1949.

2. An action under Section 21A (3) of the Chartered Accountants Act, 1949 was contemplated against **CA. Nanak Narang (M. No. 416419)** and communication dated 03rd June 2026 was addressed to him thereby granting him an opportunity of being heard on 19th June 2026 which was exercised by him by being present in person. He confirmed receipt of the findings of the Board and made submissions before it.

3. Thus, upon consideration of the facts of the case, the consequent misconduct of **CA. Nanak Narang (M. No. 416419)** and keeping in view his representation before it, the Board decided to **REPRIMAND** him.

Sd/-
CA. Babu Abraham Kallivayalil
(Presiding Officer)

Sd/-
Dolly Chakrabarty
(Government Nominee)

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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.)

Sd/-
CA. Pankaj Shah
(Member)

BOARD OF DISCIPLINE

(Constituted under Section 21A of the Chartered Accountants Act 1949)

FINDINGS OF THE BOARD OF DISCIPLINE UNDER RULE 14 (9) OF THE CHARTERED ACCOUNTANTS (PROCEDURE OF INVESTIGATIONS OF PROFESSIONAL AND OTHER MISCONDUCT AND CONDUCT OF CASES) RULES, 2007

FILE NOs:
1. **[PR/41/2023/DD/174/2023/BOD/832/2025]**
2. **[PR/38/23-DD/101/2023 (Clubbed PR/39/2023)/BOD/818/2025]**
3. **[PR/40/23-DD/173/2023/BOD/817/2025]**

<u>CORAM: (PRESENT IN PERSON)</u>

CA. Rajendra Kumar P, Presiding Officer
Ms. Dolly Chakrabarty, Government Nominee
CA. Priti Savla, Member

<u>IN THE MATTER OF:</u>

CA. Anurag Sangal (M. No. 071539)
Partner, Anurag Sangal & Co.
Tilak Complex, 27, First Floor,
Tilak Road
Dehradun.. Complainant

Versus

1.	CA. Nanak Narang (M. No. 416419), Partner, M/s Vimal Kishore & Associates LLP, (FRNo. C400317), Alaknanda Enclave, Lane I, Dehradun
2.	CA. Vimal Kishore (M. No. 077942), Partner, M/s Vimal Kishore & Associates LLP, First Floor, PLS Plaza, 58, Gandhi Road, Dehradun
3.	CA. Kavita Ohri (M. No. 048316), Partner, M/s Vimal Kishore & Associates LLP, (FRNo. C400317), First Floor, PLS Plaza, 58, Gandhi Road, Dehradun

.. Respondents

Date of Final Hearing	:	28th October 2025
Date of Pronouncement of Judgment	:	08th December 2025
Place of Final Hearing	:	ICAI Bhawan, New Delhi

<u>PARTIES PRESENT: (IN PERSON)</u>

Complainant	:	CA. Anurag Sangal
Counsel for Respondent	:	CA. Deepak Sharma
<u>Respondents (Through VC)</u>	:	CA. Nanak Narang
		CA. Vimal Kishore
		CA. Kavita Ohri

FINDINGS:

BACKGROUND OF THE CASE:

1. The present case arises out of serious allegations of professional misconduct, breach of trust, and financial impropriety against three Chartered Accountants, namely CA. Kavita Ohri, CA. Vimal Kishore, and CA. Nanak Narang (hereinafter collectively referred to as "**the Respondents**"). The Complainant is the founder partner of a well-established Chartered Accountancy firm namely M/s Anurag Sangal & Co. (FRN.00467C) (hereinafter referred to as "**the Complainant Firm**"), which had, over the years, built substantial professional goodwill and a large client base.

2. CA. Kavita Ohri and CA. Vimal Kishore were initially associated with the Complainant Firm as employees/articles and were later inducted as partners based on long-standing professional association and trust. During their tenure as partners, they were entrusted with extensive independent authority over critical aspects of the Firm's operations, including management of bank accounts, signing of cheques, handling of clients, maintenance of books of accounts, hiring and supervision of staff, and overall administrative control. CA. Nanak Narang, who had been employed with the Complainant Firm since 2007, was also closely associated with the Firm's professional work and client dealings.

3. It is alleged that while still associated with the Complainant Firm, the Respondents, in collusion with each other, clandestinely formed a competing firm, namely *M/s Vimal Kishore & Associates LLP* (hereinafter referred to as "**the Respondent Firm**"), without the knowledge or consent of the Complainant. During the subsistence of their relationship with the Complainant Firm, the Respondents allegedly solicited and induced several existing clients of the Complainant Firm to shift their professional assignments to the Respondent Firm, without obtaining the mandatory No Objection Certificate (NOC) and by making false and misleading representations, including misstatements regarding the reconstitution of the Complainant Firm.

4. The Complainant has alleged that, during the financial year 2021–22 and earlier periods, the Respondents diverted multiple audit and professional assignments of the Complainant Firm to the Respondent Firm, resulting in substantial financial loss. Significant amounts of professional fees were allegedly siphoned off from clients such as Uttarakhand Sahakari Chini Sangh Ltd. and its EPF Trust, John Martyn Memorial Trust, Welham Boys' School Society and its EPF Trust, JJ Group entities, educational institutions, charitable trusts, and other clients. These diversions were allegedly carried out while the Respondents were still partners of the Complainant Firm, thereby violating fiduciary duties, partnership obligations, and professional ethics.

5. Following the exit of the Respondents from the Complainant Firm, serious irregularities were noticed in the Firm's accounts, including non-cooperation in finalization of books. Consequently, a special audit was conducted by an independent firm of Chartered Accountants, which, as per its report dated 21st December 2022, allegedly revealed large-scale misappropriation of funds through non-work-related payments, under-billing, writing off receivables, and unauthorized diversion of professional receipts, aggregating to approximately ₹55.38 Lakhs. The audit further confirmed unauthorized alteration of agreed remuneration and profit-sharing ratios, resulting in wrongful withdrawal of substantial sums by the Respondents, in contravention of the partnership agreement.

6. In addition to financial and professional misconduct, the Respondents are alleged to have engaged in cyber-related misconduct by tampering with the Complainant Firm's Income Tax e-filing portal credentials, thereby locking the Complainant out of the Firm's account from October 2022 onwards. This act allegedly caused severe disruption to statutory compliance, adversely impacted client servicing, and resulted in reputational damage and loss of goodwill to the Complainant Firm.

7. Based on the above allegations, the Complainant has initiated proceedings against the Respondents, asserting that their acts constitute grave professional misconduct, breach of trust,

and violation of the standards of professional conduct expected of members of the Institute of Chartered Accountants of India.

8. The Director (Discipline) vide his Prima Facie Opinion bearing reference number PR/41/2023/DD/174/2023 dated 23rd June 2025, PR/38/2023/DD/101/2023 dated 08th May 2025 and PR/40/2023/DD/173/2023 dated 03rd June 2025 respectively in the matter of CA. Nanak Narang, CA. Vimal Kishore and CA. Kavita Ohri formed an opinion that the Respondents are prima facie Guilty of professional misconduct falling within the meaning of Item (6) of Part I of the First Schedule to the Chartered Accountants Act, 1949 in respect of the First allegations, namely, solicitation of professional work from (i) Uttarakhand Sahakari Chini Sangh Ltd. and (ii) Uttarakhand Sahakari Chini Sangh Employees Provident Fund Trust, and Item (8) of Part I of the First Schedule to the Chartered Accountants Act, 1949 in respect of second allegations, namely, acceptance of audit assignments without proper and independent prior written communication with the previous auditor, in violation of the provisions of the Chartered Accountants Act, 1949 and the Code of Ethics for (i) Welham Boys' School Society, (ii) JJ Buildtech,(iii) JJ Realtech Pvt. Ltd., (iv) Anand Swaroop Gupta, (v) Gupta Food Products (vi) Mussoorie Public School and (vi) Raj Lumba. Further, in respect of the remaining allegations i.e. allegation number third, fourth and fifth the Respondents were held Prima Facie Not Guilty. The Board of Discipline concurred with the Prima Facie Opinion of the Director (Discipline) and accordingly limited the scope of its enquiry to the first and second allegations, wherein the Respondent was found prima facie Guilty.

CHARGES ALLEGED:

9. **First allegation**: It is alleged that the Respondent firm solicited the following clients and professional work of the Complainant Firm by written and personal communication.

    i. Uttarakhand Sahakari Chini Sangh Ltd.,
    ii. Uttarakhand Sahakari Chini Sangh Employees Provident Fund Trust,
    iii. John Martyn Memorial Trust,
    iv. Welham Boys School Society,
    v. Welham Boys School Employees Provident Fund Trust

10. **Second allegation**: It is alleged that the Respondent Firm accepted the position of the auditor of the following entities, previously held by another chartered accountant (Complainant Firm), without first communicating with him in writing: -

    i. Welham Boys' School Society,
    ii. JJ Buildtech,
    iii. JJ Realtech Pvt. Ltd.,
    iv. Anand Swaroop Gupta
    v. Gupta Food Products
    vi. Mussoorie Public School,
    vii. Raj Lumba,
    viii. Bajaj Institute of Learning,
    ix. Welham Boys Employees Provident Fund Trust,
    x. S Lalvani Tirath Education,Surendra Mohan Lumba,
    xi. Kiran Lumba,Jamine Lumba,

11. **Third allegation**: It is alleged that the Respondent Firm invited professional work from the following clients by giving information knowing it to be false: -

    i. Uttarakhand Sahakari Chini Sangh Ltd.,
    ii. Uttarakhand Sahakari Chini Sangh Employees Provident Fund Trust,
    iii. John Martyn Memorial Trust,
    iv. Welham Boys School Society,
    v. Welham Boys School Employees Provident Fund Trust.

12. **Fourth allegation**: It is alleged that the Respondent Firm accepted the position of auditor of the following entities / clients, which was previously held by another chartered accountant, even though the previous auditor specifically raised an objection in writing, citing non-payment of professional dues by the entities / clients: -

    i. Jaswant Education Trust
    ii. Children's Academy Association
    iii. Rab and Rab Associates LLP
    iv. BM Auto Sales Pvt Ltd
    v. M & M Hospitality Pvt. Ltd.
    vi. Anand Swaroop Gupta
    vii. Gupta Food Products

13. **Fifth allegation**: In addition to the above allegations, the Complainant in the instant complaint also made the following miscellaneous allegations against the Respondent: -

i. That the Respondents brought disrepute to the profession or the Institute because of their actions by accepting a quid-pro-quo with a client of the Complainant Firm where the Clients have not paid their dues to the Complainant Firm, in lieu of the personal work of his partner, CA. Vimal Kishore. The Complainant alleged a diversion of Rs. 1,06,790/-.

ii. That the Respondents were defalcating and embezzling money received in professional capacity. The Respondents misappropriated the Complainant Firm's funds by fraudulent making non-work-related payments to their own family members and other people. The Complainant alleged misappropriation of Rs. 55,38,500/-.

iii. Non-booking and/or short booking of professional Bills in the Complainant Firm for work done for the Complainant Firm's clients while making the bills from the Respondent Firm.

iv. Quid-pro-quo with the Complainant Firm's clients where the clients have not been billed and/or short-billed from the Complainant Firm for unidentified benefit to the Respondents.

v. Unexplained write-off of outstanding dues from clients for bills raised by the Complainant Firm whereas the same clients have paid up to the Respondent Firm.

vi. Withdrawal of funds by unfair and unjustified debits to expenses by the Respondents.

vii. Non booking and unexplained usage of cash receipts from clients of the Complainant Firm.

viii. Variance in agreed ratios in professional remuneration to working partners and in allocation of profit shares to partners in the Complainant Firm.

ix. Cybercrime in tampering with the income tax filing e-portal of the Complainant Firm.

x. Convening a meeting in the Complainant Firm office in Sept 2021, while the Complainant was away, to instigate the staff to leave the Complainant Firm and join the Respondent Firm.

xi. Consequent erosion in valuation of goodwill of the Complainant Firm & Non-cooperation in resolution of matters and settling of accounts.

BRIEF OF PROCEEDINGS HELD:

14. The details of the hearing fixed and held in the instant matter are given as below:

S. No.	Date of Hearing	Status of hearing
1.	28th October 2025	Matter heard and concluded. Judgement Reserved
2.	08th January 2025	Judgement delivered.

15. Since all these three matters arise out of identical facts, involving common Complainant, and pertains to the same course of conduct, the Board proceeded to hear and decide the matters colly with the consent of all the parties involved.

SUBMISSION OF THE PARTIES:

16. The Complainant, in his submission dated 24th October 2025, specifically highlighted allegations where he contended that the Prima Facie Opinion failed to properly appreciate the evidence. These included the alleged solicitation of professional work in the case of Welham Boys' School Society, general solicitation of the Complainant Firm's clients through mass email communication, alleged forgery of the Complainant's signature on a resignation letter, acceptance of audit assignments despite written objections citing outstanding professional dues, defalcation and embezzlement of partnership funds through non-work-related payments to relatives and associates, and an overall pattern of deliberate avoidance and suppression of misconduct by the Respondents. The Complainant referred to various documents already on record in support of these allegations, such as Board resolutions of clients, email correspondence, forensic handwriting analysis reports, comparative examination of disputed emails, special audit findings, and schedules detailing alleged fraudulent payments. Reliance was also placed on judicial principles laid down by the Hon'ble Supreme Court of India to contend that evasive or non-specific replies by the Respondents to material allegations amount to deemed admissions. On this basis, the Complainant prayed that the Board of Discipline consider the entire material on record, held the Respondent Guilty of additional counts of professional misconduct, and impose appropriate and exemplary punishment commensurate with the gravity of the allegations.

17. The Respondents, on the other hand, vide their respective written submissions dated 28th October 2025, challenged the findings recorded in the Prima Facie Opinion, particularly in relation to the allegation of solicitation of professional work. It was submitted that the finding of solicitation was based purely on conjecture and surmises and not on any cogent or legally admissible evidence. The Respondents contended that the Directorate relied merely on a reference to an alleged letter dated 22.09.2021, which was not initially produced by the Complainant, and yet proceeded to draw an adverse inference on the premise that the "possibility of solicitation cannot be denied." According to the Respondents, such approach is impermissible in quasi-judicial proceedings, where findings must be founded on proof and not on suspicion or possibility.

18. The Respondents further submitted that the letter dated 22.09.2021, now placed on record, clearly demonstrates that it was a bona fide and purely informational communication issued in response to the client's letter dated 03.09.2021, which sought clarification regarding the change in the constitution of the firm. It was asserted that the said communication contained no language suggestive of canvassing, inducement, or solicitation and therefore did not attract the mischief of Clause (6) of Part I of the First Schedule to the Chartered Accountants Act, 1949. The Respondents also relied upon the clients' reply dated 07.02.2023, wherein the clients categorically denied any solicitation and affirmed that the continuation of professional engagement with the Respondents was a voluntary decision taken out of their own free will, based on professional satisfaction. It was further argued that the Complainant's own legal notice to the clients demonstrated an attempt to pressure or threaten them for exercising their independent choice, which, according to the Respondents, completely negated the allegation of solicitation.

19. Regarding the allegation of non-obtaining of No Objection Certificate, the Respondent submitted that Clause (8) of Part I of the First Schedule was not attracted, as there was no change of auditor in substance or in fact. It was contended that the audit work had been continuously carried out by CA. Vimal Kishore both prior to and after the formation of the Respondent firm, and therefore the requirement of prior communication with the previous auditor did not arise. Without prejudice to this submission, it was stated that an NOC had, in any event, been obtained. The Respondent argued that the finding regarding the unreliability of the NOC merely because it was acknowledged by a common partner was speculative and ignored the admitted position that the Complainant had no active involvement or knowledge of the audit assignments in question. On these grounds, the

Respondents submitted that the findings recorded in the Prima Facie Opinion were contrary to both facts and law and prayed that the same be set aside in entirety.

OBSERVATIONS OF THE BOARD:

20. At the outset, the Board noted that it is an admitted position that the Respondent(s) and CA. Vimal Kishore were partners of the Complainant Firm, M/s Anurag Sangal & Co., from 01.04.2000 until 01.04.2022. It is also undisputed that the Respondent(s), along with CA. Vimal Kishore, became partners of the Respondent Firm, M/s Vimal Kishore & Associates LLP, with effect from 30.08.2021. Consequently, during the period from 30.08.2021 to 01.04.2022, the Respondent(s) and CA. Vimal Kishore were simultaneously partners in both the Complainant Firm and the Respondent Firm.

21. With regard to the allegation of solicitation of professional work in the case of Uttarakhand Sahakari Chini Sangh Ltd. and its Employees Provident Fund Trust, the Board observes that the allegations emanates from letters issued by the said clients, wherein specific reference was made to a communication dated 22.09.2021 allegedly sent by the Respondent Firm, informing the clients about the formation of a new firm and requesting issuance of appointment letters in favour of the Respondent Firm. While the actual copy of the said letter dated 22.09.2021 was not brought on record by either party, the Board finds that the existence of such communication is corroborated by contemporaneous correspondence issued by the clients themselves.

22. The Board is of the considered view that, once such a reference to a specific communication is made by independent third-party clients, the onus shifts upon the Respondent(s), who were partners of the Respondent Firm, to place on record the complete correspondence to establish that the communication was purely informational and devoid of any element of solicitation. The Respondent(s) failed to do so. In the absence of such clarification and considering that the Respondent Firm stood to directly benefit from the transfer of professional work, the Board concurs with the Director (Discipline) that the possibility of solicitation of professional work cannot be ruled out. Accordingly, the Respondent(s), being partners of the Respondent Firm during the relevant period, cannot be exonerated and are held Guilty of Professional Misconduct under Item (6) of Part I of the First Schedule to the Chartered Accountants Act, 1949 in respect of the said clients.

23. The Board has also examined the allegation relating to acceptance of audit assignments of multiple clients of the Complainant Firm without proper and independent prior communication, as required under Item (8) of Part I of the First Schedule to the Act. The record reveals that, in respect of several clients including *Welham Boys' School Society, JJ Buildtech, JJ Realtech Pvt. Ltd., Anandam Group entities, Gupta Food Product, Mussoorie Public School,* and Raj Lumba, the Respondent Firm sought No Objection Certificate from the Complainant Firm. However, these NOC letters were acknowledged on behalf of the Complainant Firm by CA. Vimal Kishore, who, at the relevant time, was a common partner in both the Complainant Firm and the Respondent Firm.

24. The Board finds merit in the view taken by the Director (Discipline) that such acknowledgment of NOC by a common partner, who was simultaneously a beneficiary of the transfer of professional work to the Respondent Firm, cannot be treated as an independent and bona fide compliance of the requirement of prior communication. The possibility of conflict of interest and vested intent is evident, particularly when the Complainant has categorically stated that such NOCs were issued without his knowledge and as an afterthought. This inference is further strengthened by the fact that, in certain cases, the Respondent Firm again sought NOC for subsequent financial years, thereby raising serious doubts about the genuineness and completeness of the alleged compliance.

25. The Board also noted that the statutory requirement under Item (8) is intended to ensure transparency, protect professional integrity, and prevent unfair displacement of an existing auditor. The conduct of seeking and acknowledging NOCs within the same set of beneficial partners defeats the very spirit and purpose of the provision. Accordingly, the Board holds that the Respondent(s) failed to comply with Item (8) of Part I of the First Schedule in its true sense and are therefore Guilty of Professional Misconduct on this count as well.

26. Considering the above, the Board is of the considered opinion that the Respondent/(s) are Guilty of Professional Misconduct within the meaning of Item (6) and Item (8) of Part I of the First Schedule to the Chartered Accountants Act, 1949, in respect of solicitation of professional work from *Uttarakhand Sahakari Chini Sangh Ltd.* and its *Employees Provident Fund Trust*, and acceptance of audit assignments without proper and independent prior communication with the previous auditor in respect of Welham Boys' School Society, JJ Buildtech, JJ Realtech Pvt. Ltd., Anand Swaroop Gupta, Gupta Food Products, Mussoorie Public School and Raj Lumba.

CONCLUSION:

27. Thus, in conclusion, in the considered opinion of the Board, the Respondents are held '**Guilty**' of Professional Misconduct falling within the meaning of Item (6) and Item (8) of Part I of the First Schedule to the Chartered Accountants Act, 1949.

Sd/-
CA. Rajendra Kumar P
Presiding Officer

Sd/-
Dolly Chakrabarty, IAAS (Retd.)
Government Nominee

Sd/-
CA. Priti Savla
Member

Date: 31-01-2026

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Geetha
गीता अनिरूद्ध कुमार / Geetha Anirudha Kumar
कार्यकारी अधिकारी / Executive Officer
अनुशासनात्मक निदेशालय / Disciplinary Directorate
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