BEFORE THE DISCIPLINARY COMMITTEE ICSI INSTITUTE OF INSOLVENCY PROFESSIONALS

ICSI IIP/DC/06/2026 **Dated: 23.10.2026**

IN THE MATTER OF:

Mr. Anang Kumar Shandilya
Insolvency Professional
Registration No.: IBBI/IPA-002/IP-N00882/2019-2020/12826
Address: 4th Floor, Moolchand Tower, I-Block, Sector-22,
Above Bank of India Sector-22 Branch, Noida, Uttar Pradesh – 201301

ORDER

(Under Part III of the Disciplinary Policy read with Clause 21(2) of the Bye-Laws of ICSI Institute of Insolvency Professionals)

1. BACKGROUND AND PROCEDURAL HISTORY

1.1. The present proceedings arise out of the Show Cause Notice (for brevity, 'SCN') dated 11.06.2026 issued to Mr. Anang Kumar Shandilya (hereinafter referred to as 'the Insolvency Professional' / 'IP'), a professional member enrolled with the ICSI Institute of Insolvency Professionals ('ICSI IIP') and registered with the Insolvency and Bankruptcy Board of India ('IBBI') under Registration No. IBBI/IPA-002/IP-N00882/2019-2020/12826.

1.2. A grievance was received against the IP forwarded through the Insolvency and Bankruptcy Board of India on 13.10.2025. The Grievance Redressal Committee of ICSI IIP examined the grievance and referred the matter to the Disciplinary Committee on 27.02.2026. The communication issued by the Grievance Redressal Officer (GRO) of ICSI IIP, the written explanation furnished by the IP, along with all attendant documents, were placed before the Disciplinary Committee in its meeting convened on 18.05.2026, wherein it was resolved to issue a formal SCN to the IP.

1.3. Accordingly, the Secretariat issued the SCN dated 11.06.2026. The IP submitted his reply to the SCN via e-mail dated 31.07.2026. The SCN, the written reply of the IP, and the supporting documentary evidence were placed before the Disciplinary Committee for final consideration and disposal in its meeting held on 02.09.2026. The IP availed the opportunity of personal hearing before the Committee and advanced his oral submissions.

1.4. The Disciplinary Committee has minutely perused the SCN, the written explanations submitted by the IP, the record of the case, and has considered the submissions advanced during the course of the personal hearing. Accordingly, the Committee proceeds to adjudicate upon the controversy and record its findings.

2. FACTUAL MATRIX AND CHARGES IN THE SHOW CAUSE NOTICE

2.1. The Corporate Insolvency Resolution Process (CIRP) of M/s UT Limited (hereinafter referred to as 'the Corporate Debtor') was initiated pursuant to an order passed by the Hon'ble National Company Law Tribunal, Kolkata Bench (for brevity, 'Hon'ble NCLT, Kolkata Bench') under Section 9 of the Insolvency and Bankruptcy Code, 2016 (for brevity, 'the Code'). Upon failure of resolution during the statutory period of CIRP, liquidation was ordered under Section 33(1)(a) of the Code, and the IP was appointed as the Liquidator under Section 34 of the Code. Ultimately, all the assets of the Corporate Debtor were sold as a going concern through e-auction, and closure of the liquidation process was formally sanctioned by the Hon'ble NCLT vide its order dated 05.06.2024.

2.2. Paragraphs 17 and 20 of the order dated 05.06.2024 passed by the Hon'ble NCLT, Kolkata Bench, are reproduced below verbatim:

> *"17. Thus, by taking into consideration all the facts and circumstances mentioned above, this Adjudicating Authority feels that it is just and proper to pass an Order of completion of the liquidation process of corporate debtor such that the liquidator can be relieved from his duties as liquidator and the corporate debtor can continue to operate and conduct of its business as it deems fit."*
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> *"20. The Liquidator shall stands discharged from his responsibilities, subject to all procedural compliances."*

2.3. Notwithstanding the fact that the IP was rendered as persona non grata having been completely discharged from all functions and duties qua the Corporate Debtor w.e.f. 05.06.2024, it has emerged from the record that nearly eight months after the closure of the liquidation process, the IP executed a registered Sale Deed on 27.02.2025 in favour of M/s Poysha Wind Farm on behalf of the Corporate Debtor. The said instrument pertained to agricultural land admeasuring 43.68 acres situated at Village Gudimangalam, Taluk Udumalpettai, District Tiruppur, State of Tamil Nadu, and was registered as Document No. 2322 of 2025 in the office of Sub-Registrar, Udumalpettai.

2.4. The startling feature of the transaction is that the aforesaid agricultural land, having a government guideline value of Rs. 6.99 Crore and an estimated market value exceeding Rs. 12 Crore. It was sold for a meagre consideration of merely Rs. 5,000/- representing less than 0.01% of the guideline value.

2.5. Significantly, during the entire currency of the CIRP and the liquidation proceedings, the land in question was neither identified by the IP as an asset of the Corporate Debtor nor included in the liquidation estate. Yet, after the liquidation stood closed and he had become *functus officio*, the IP proceeded to sign and execute the sale deed on behalf of the Corporate Debtor. Subsequently, upon receipt of a court show-cause notice disclosing pending civil litigation over the parcel of land, the IP preferred an application under Section 60(5) of the Code before the Hon'ble NCLT seeking cancellation of the very sale deed executed by him.

2.6. In view of the aforesaid facts, the SCN alleged that the IP acted wholly without authority and jurisdiction, failed to exercise proper due diligence, and contravened the provisions of Section 25(1), Section 25(2), Section 35(1)(b) of the Code, the express directions contained in the Hon'ble NCLT order dated 05.06.2024, and the Code of Conduct for Insolvency Professionals.

3. SUBMISSIONS MADE BY THE INSOLVENCY PROFESSIONAL

Mr. Anang Kumar Shandilya, the Insolvency Professional, submitted detailed written representations and reiterated his defence during the personal hearing as under:

3.1. Pre-existing Contractual Obligation and True Nature of Transaction

3.1.1. The IP submitted that the execution of the Sale Deed dated 27.02.2025 was neither an independent commercial transaction nor a fresh sale undertaken by him in exercise of liquidation powers. The Sale Deed was executed under a *bona fide* belief that it merely gave effect to an antecedent and pre-existing contractual obligation arising out of the registered Lease Deed dated 31.03.2005, which contained an option requiring execution of a conveyance upon fulfilment of the contractual terms by the lessee.

3.1.2. At the time of execution, the IP was under the *bona fide* belief that the act was merely procedural in nature and intended to give effect to an already crystallized contractual right arising out of the Deed between the parties. He submitted that it was represented to him that the M/s Poysha Wind Farm was put in possession of the said land for a period of 29 years commencing from 31.03.2005 to 30.03.2034. In this regard, reliance was placed on the express covenant contained in the subject Lease Deed (at Page 6, Point No. 6), which is set out below verbatim:

> *"The Lessee (M/s Poysha Wind Farm)/It's assignees/sub lessee shall always have the option to purchase the said land at any time during the period of lease of granted herein with notice of 15 days to lessor at a value of Rs. Five Thousand only and the lessor (UT Limited) hereby covenants to complete the transaction of sale including execution of such sale documents as may be*

necessary and registration of the same at cost and expense of the Lessee/It's assignees/sub lessee shall be entitled to do so on behalf of lessor".

3.1.3. The IP submitted that he had no occasion to negotiate or determine the sale consideration. The consideration of Rs. 5,000/- was not fixed by the Insolvency Professional, but had already been agreed upon between the parties under the registered Lease Deed executed almost twenty years prior to the commencement of CIRP. Consequently, the allegation that the IP disposed of an asset allegedly worth several crores for a mere consideration of Rs. 5,000/- ignores the true nature of the transaction.

3.2. **Non-disclosure of Assets in Records and Denial of Lack of Due Diligence**

3.2.1. The allegation that the IP failed to identify the agricultural land during the CIRP and Liquidation proceedings was specifically denied. The IP submitted that the agricultural land in question was never disclosed as an asset of the Corporate Debtor at any stage of the Corporate Insolvency Resolution Process or the Liquidation proceedings. The said property did not form part of the audited financial statements, books of account, asset register, Information Memorandum, or any other records handed over to the Resolution Professional or the Liquidator. Neither the suspended management, nor the directors, nor any officer of the Corporate Debtor, nor the valuers appointed during CIRP, nor any stakeholder ever disclosed the existence of the subject property.

3.2.2. The entire CIRP and Liquidation process was undertaken strictly on the basis of records available from the Corporate Debtor. In the total absence of any disclosure whatsoever, the IP could not reasonably have identified the subject land. The subsequent discovery of previously undisclosed facts cannot retrospectively establish misconduct or breach of statutory duties on the part of the Insolvency Professional.

3.3. **Alleged Lack of Due Diligence**

3.3.1. It was further submitted that the Liquidator had conducted due diligence at every stage of the CIRP and liquidation proceedings, wherever required and feasible. The erstwhile Interim Resolution Professional, Resolution Professional, as well as the Liquidator had undertaken valuation exercises of the assets and properties of the Corporate Debtor for various purposes. However, the existence of the subject land never came to the knowledge of any of the professionals involved since the inception of the CIRP of the Corporate Debtor. The entire CIRP and liquidation process was conducted strictly on the basis of the records, claims, and disclosures available on record. At no point during the said process was any information available regarding the existence of the subject land or the Lease Deed bearing Document No. 1835/2005.

3.3.2. It was only in or around December 2024 that the representatives of Poysha Wind Farm (PWF), lessee of the said land, approached the IP and made representations seeking execution of a Sale Deed in their favour pursuant to the terms of the aforesaid Lease Deed. It was claimed by PWF that, under the said Lease Deed, the Corporate Debtor had undertaken an obligation to sell the agricultural land admeasuring approximately 43.68 acres situated at Village Gudimangalam, Taluk Udmalpettai, District Tiruppur, State of Tamil Nadu.

3.4. **Absence of Mala Fide Intent and Pecuniary Gain**

3.4.1. It was submitted that the execution of the Sale Deed was done purely in good faith, relying upon documentary representations and contractual covenants. There was no *mala fide* intent involved at any stage. Throughout the CIRP and Liquidation process, the IP neither obtained nor attempted to obtain any pecuniary benefit. The Show Cause Notice itself does not allege misappropriation, diversion of funds, or wrongful gain. The absence of any allegation regarding personal benefit itself demonstrates a complete absence of *mala fide* intention. It was only in or around December 2024 that the representatives of M/s Poysha Wind Farm approached the IP and made representations seeking execution of the Sale Deed pursuant to the terms of the Lease Deed.

3.5. Immediate Corrective Measures for Cancellation of the Sale Deed

3.5.1. The IP highlighted that after the execution of the Sale Deed dated 27.02.2025, he received a Notice to Show Cause from the Hon'ble Additional District Judge, Udumalpet, in IA No. 3/2025 in OS No. 679/2024 for a hearing scheduled on 09.06.2025. It was only through the said notice that the IP became aware that litigation in respect of the said land was pending. M/s Poysha Wind Farm had wilfully suppressed and failed to disclose the existence of such litigation at any stage, including during their representations and prior to the execution of the Sale Deed, thereby misleading the Liquidator.

3.5.2. Upon becoming aware of the concealment of material facts and pending litigation, the Liquidator immediately approached the Sub-Registrar for cancellation of the Sale Deed dated 27.02.2025. However, the Sub-Registrar informed him that such cancellation could only be effected pursuant to an order passed by a competent court of law. Upon being so informed, the Liquidator promptly filed an application before the Hon'ble NCLT vide IA (I.B.C)/1360/KB/2025 on 16.08.2025 with prayers, *inter alia*, to declare the Sale Deed dated 27.02.2025 null and void, to cancel the same, and to recall the closure order passed under Regulation 45 of the IBBI (Liquidation Process) Regulations, 2016. The issue is presently *sub judice* before the Hon'ble NCLT, Kolkata Bench, at the final stage of hearing.

3.6. Lack of Locus Standi and Misuse of Grievance Mechanism by the Complainant

3.6.1. The Insolvency Professional submitted that the complaint filed by M/s Vinnarasi Industries is not *bona fide* and has been filed with the ulterior motive of harassing and pressurizing the Liquidator. The Complainant, having failed to submit its claim during the Liquidation process and consequently not being a member of the Stakeholders' Consultation Committee (SCC), is now attempting to agitate the issue before multiple forums to indirectly secure admission of its claim and derive wrongful benefit. Furthermore, the relief sought by the Complainant is substantially identical to that already prayed for by the Liquidator in his application pending before the Hon'ble NCLT, Kolkata Bench.

3.7. Observations of the Grievance Redressal Committee (GRC):

3.7.1. The Insolvency Professional also submitted that the observations of the GRC are based on *prima facie* understanding without the benefit of complete factual matrix, particularly the pre-existing contractual obligation under the Lease Deed, the suppression of material facts related to fixed assets by the Corporate Debtor & third parties, and the immediate remedial steps taken by the IP.

3.7.2. The allegation of violation of Section 25(1) of the Code was wholly misconceived. Section 25 governs the duties of the Resolution Professional during the Corporate Insolvency Resolution Process. The alleged transaction forming subject matter of the present proceedings occurred after completion of CIRP. Therefore, the provisions of Section 25 have no direct application to the impugned transaction. Without prejudice to the above, it was respectfully submitted that throughout the CIRP the IP exercised due care and diligence in preserving and protecting the assets of the Corporate Debtor based upon the records available. The subject land was never reflected in any books, records, or statutory disclosures. Consequently, there was no occasion for the IP to preserve or take control of an undisclosed asset.

3.7.3. The allegation under Section 25(2) was specifically denied. The obligation to take immediate custody and control extends only to assets which are identifiable from the records available during CIRP. The Code does not impose an impossible obligation upon a Resolution Professional to discover assets that have been deliberately concealed by the erstwhile management or third parties. The IP exercised all reasonable diligence expected from an Insolvency Professional. The subsequent discovery of previously undisclosed facts cannot retrospectively establish any breach of statutory duties.

3.7.4. The allegation that the Notice violated Section 35(1)(b) of the Code was denied. The Liquidator prepared the liquidation estate strictly on the basis of the books of account,

audited financial statements, statutory records, valuation reports, and other records available with the Corporate Debtor. The subject agricultural land did not appear in any of these records. The Insolvency Professional cannot be held responsible for suppression of material facts committed by third parties. On the contrary, immediately upon discovering such suppression, the IP initiated proceedings for cancellation of the Sale Deed. These actions are wholly inconsistent with any allegation of negligence or lack of diligence.

3.7.5. The allegation that the IP violated the order dated 05.06.2024 passed by the Hon'ble NCLT, Kolkata Bench was denied. The IP never intended to exercise any powers of liquidation after completion of the liquidation process. The execution of the Sale Deed was undertaken solely under a *bona fide* belief that it constituted implementation of an existing contractual obligation under the Lease Deed dated 31.03.2005 and not an exercise of fresh powers of sale under the Insolvency and Bankruptcy Code. The IP acted throughout in good faith and without any intention to circumvent or violate the directions of the Hon'ble Tribunal. The immediate steps taken thereafter to have the Sale Deed declared null and void further establish the *bona fide* conduct of the IP.

3.7.6. During the personal hearing, the IP accepted the fact that there was procedural lapse on his part and he should have approached legal expert before executing the agreement; however, he emphasized that after knowing this, he immediately approached appropriate authorities for its withdrawal and the same is pending for consideration. There was no *mala fide* intent involved. He also emphasized that he could not foresee the litigations involved in this.

4. ANALYSIS AND FINDINGS OF THE DISCIPLINARY COMMITTEE

4.1. The Disciplinary Committee has carefully considered the allegations contained in the Show Cause Notice, the written reply submitted by the Insolvency Professional, the documents placed on record, and the oral submissions advanced by the Insolvency Professional during the personal hearing.

4.2. The Committee is of the considered view that upon the closure of the liquidation process by the Hon'ble National Company Law Tribunal (NCLT) vide order dated 05.06.2024, the Insolvency Professional was rendered *functus officio* and ceased to have any *locus standi* or authority in relation to the Corporate Debtor. It was neither his duty nor within his competence to execute any document on behalf of the Corporate Debtor after he stood discharged from the office of Liquidator pursuant to the said order of the Hon'ble Tribunal.

4.3. The execution of the sale deed in favour of Poysha Wind Farm in respect of the property belonging to the Corporate Debtor for a meagre consideration of Rs. 5,000/-, as against

the government guideline value of Rs. 6.99 Crore, after the closure of the liquidation proceedings, and in circumstances where the said property did not form part of the liquidation estate during the pendency of the liquidation process, is wholly unacceptable and without authority of law.

4.4. Although the land in question was never included in the liquidation estate, one of the primary duties of an Insolvency Professional (whether acting as Interim Resolution Professional, Resolution Professional, or Liquidator) is to take into custody and control all assets of the Corporate Debtor. From the records available, it is evident that the Insolvency Professional failed to exercise due diligence in the discharge of his assignment.

4.5. Furthermore, the Insolvency Professional travelled from Noida to Coimbatore at his own expense for the purpose of executing the sale deed. Such conduct defies ordinary prudence and is wholly inconsistent with the standards of professional diligence and knowledge of law expected of a person familiar with the provisions of the Insolvency and Bankruptcy Code, 2016, and the discipline of the profession.

4.6. The sequence of events surrounding the execution of the said deed gives rise to serious suspicion. It appears that there was possible collusion between the Corporate Debtor and Poysha Wind Farm, and that the Insolvency Professional acted with gross negligence. Even a person of ordinary prudence could have discerned the irregularity inherent in the transaction.

4.7. During the personal hearing, the Insolvency Professional submitted that the actual consideration was substantially higher than Rs. 5,000/- and had already been paid to the Corporate Debtor. However, no verification of the property records or of the flow of consideration was undertaken by the Insolvency Professional.

4.8. The Disciplinary Committee takes note of the subsequent remedial steps initiated by the Insolvency Professional, including approaching the concerned Registrar for cancellation of the deed and moving the Hon'ble NCLT for cancellation of the sale deed. Nevertheless, such subsequent remedial measures cannot retrospectively confer upon the Insolvency Professional any authority to execute the sale deed at a time when he had already ceased to function as Liquidator.

4.9. This is a clear case of gross negligence and professional misconduct. The Insolvency Professional has failed to discharge the duties cast upon him under the Insolvency and Bankruptcy Code, 2016. Thus, the IP has not complied with Section 25(1) & 25(2), Section 35(1)(b) of the Code, NCLT Kolkata Bench Order dated 5th June, 2024, as well as the Code of Conduct for the Insolvency Professionals.

5. ORDER

5.1. Upon due consideration of the allegations contained in the Show Cause Notice, the written reply submitted by the Insolvency Professional, the submissions advanced during the personal hearing, the documents placed on record, and the applicable provisions of the Insolvency and Bankruptcy Code, 2016, the relevant Regulations, and the Disciplinary Policy of ICSI IIP, the Disciplinary Committee, in exercise of the powers conferred under Part III of the Disciplinary Policy of ICSI IIP, holds that Mr. Anang Kumar Shandilya has committed grave violations in the discharge of his professional duties under the Code. His conduct reflects gross negligence, which falls far short of the standards of diligence and professional propriety expected of an Insolvency Professional.

5.2. Therefore, the Disciplinary Committee hereby reprimands the Insolvency Professional and directs the following:

i. The membership of the Insolvency Professional shall stand suspended for one year from the date of this order.

ii. Levy of penalty of Rs. 1,00,000/- (Rupees One Lac only) and deposit the same by a demand draft payable in favour of the ICSI Institute of Insolvency Professionals within 30 days of the issue of this order. The Agency shall in turn deposit the said penalty amount in the Fund constituted under Section 222 of the Code.

iii. The IP to undergo 50 hours physical Pre-Registration Educational Course (PREC) to improve his understanding of the Code and the Regulations made thereunder.

5.3. This Order shall come into force after 30 days from the date of its issue.

5.4. A copy of this Order shall be forwarded to the Insolvency and Bankruptcy Board of India.

JUSTICE (RETD.) M.M. KUMAR

(CHAIRMAN)