

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA  
(Disciplinary Committee)

No. IBBI/DC/38/2020

6<sup>th</sup> November, 2020

**Order**

**In the matter of Mr. Manmohan Jhavar, Insolvency Professional (IP) under Regulation 11 of the Insolvency and Bankruptcy Board of India (Insolvency Professional) Regulations, 2016 read with section 220 of the Insolvency and Bankruptcy Code, 2016.**

**Background**

- 1 This Order disposes of the Show Cause Notice (SCN) No. IBBI/IP/MON/2018/34 dated 22<sup>nd</sup> June, 2020 issued to Mr. Manmohan Jhavar, 203 Mahatma Gandhi Road, 1st Floor, Kolkata, West Bengal -700007, who is a Professional Member of the Indian Institute of Insolvency Professional of ICAI (IPA) and an Insolvency Professional (IP) registered with the Insolvency and Bankruptcy Board of India (IBBI) with Registration No. IBBI/IPA-001/IP-P00334/2017-18/10604.
  - 1.1 In exercise of its power under section 218 of the Code read with the IBBI (Inspection and Investigation) Regulations, 2017, the IBBI vide Order dated 26<sup>th</sup> April, 2019 appointed an Inspecting Authority (IA) to conduct an inspection of Mr. Manmohan Jhavar, on having reasonable grounds to believe that he had contravened provisions of the Code, or the rules or regulations made, or directions issued thereunder.
  - 1.2 The IA, in its report dated 27<sup>th</sup> December, 2019 observed that Mr. Jhavar has violated section 18, 20 and 25 of the Insolvency and Bankruptcy Code, 2016 (Code) and Clause 3 and 14 of the First schedule to the IBBI (Insolvency Professionals) Regulations, 2016 (IP Regulations).
  - 1.3 The IBBI had issued the SCN on 22<sup>nd</sup> June, 2020 to Mr. Jhavar, based on findings of IA in respect of his role as an interim resolution professional (IRP) and / or resolution professional (RP) in corporate insolvency resolution process (CIRP) of M/s Hahnemann Housing and Development Private Limited (CD) which commenced vide order dated 26<sup>th</sup> April, 2018 passed by Hon'ble NCLT Kolkata Bench (AA). The SCN alleged contraventions of several provisions of the Code, IP Regulations and the Code of Conduct under regulation 7(2) thereof. Mr. Jhavar replied to the SCN vide letter dated 13<sup>th</sup> July, 2020.
  - 1.4 The IBBI referred the SCN, reply of Mr. Jhavar to the SCN and other material available on record to the Disciplinary Committee (DC) for disposal of the SCN in accordance with the Code and Regulations made thereunder. Mr. Jhavar availed an opportunity of personal virtual hearing before the DC on 16<sup>th</sup> September, 2020.

## Show Cause Notice

The contraventions alleged in the SCN are summarized as follows:

2. One of the primary duties of IP as laid down under section 18 and section 25 of the Code includes taking control and custody of assets of the CD. The AA, in its order dated 29.10.2018 observed that the RP failed to make efforts to take effective control and custody of seven properties (agricultural lands) of the CD in respect of which title deeds were also handed over by the promoters. Therefore, the IBBI *prima facie* held the view that Mr. Jhawar has violated sections 18(1)(f), 20(1), 25(2)(a) of the Code read along with Section 208(2)(a) of the Code and regulation 7(2)(h) of the IP Regulations, read with clause 14 of the Code of Conduct as given in the First Schedule of the IP Regulations.
- 2.1 It was observed that the promoters/ directors did not provide relevant documents to the IP despite several reminders. They were not even following the directions issued by the AA. However, Mr. Jhawar failed to take any action under the relevant provisions of the Code even after AA recommended that appropriate action under the Code may be initiated. Therefore, the IBBI *prima facie* held the view that Mr. Jhawar has violated Section 208(2)(a) of the Code and Regulation 7(2)(h) of the IP Regulations, read with clause 3, 5 and 14 of the Code of Conduct as given in the First Schedule of the IP Regulations.

## Submissions by Mr. Jhawar

3. Mr. Jhawar *vide* reply dated 13<sup>th</sup> July 2020 had submitted that the CD filed its financial statement for the financial year 2016- 2017 from which it was evident that the CD had considerable inventory, but the details of inventory were not available. Hence, he contacted the ex-directors of the CD to provide the inventory details. On 24.05.2018, the ex-directors of the CD provided a list of properties situated at 25 locations which contained details of more than 2500 deeds. However, title deeds of most of these properties were not submitted till the end of the CIRP period.
- 3.1 Since the ex-directors were not cooperating, Mr. Jhawar filed a petition with AA for non-cooperation of directors. The Hon'ble AA *vide* Order dated 21.08.2018 also directed the ex-directors to cooperate with Mr. Jhawar and submit the relevant documents on the same day by 5:00 p.m. Pursuant to the order of AA, the ex-directors only handed over about 180 title deeds for properties located at seven locations in two parts, i.e., on 25.08.2018 and 28.08.2018.
- 3.2 Thereafter, Mr. Jhawar had visited the properties located at Purulia, Sonarpur, Aurobindo Nagar and Baruipur for taking possession but they were open agricultural grounds without any demarcations due to which the exact place could not be identified. For taking possession, construction of boundary wall was required which involved a huge sum of financial investment.
- 3.3 Mr. Jhawar wanted to take symbolic possession and thus, he deputed a few guards, who

would visit each of these locations on weekly basis, however in absence of identification of plots, no further steps could be taken. Mr. Jhawar also approached the local BLRO and BDO office with a request to demarcate the assets but it also failed and there was no concrete result. Thus, he again requested the ex-directors to aid in identifying the lands but they did not co-operate.

- 3.4 In the 4<sup>th</sup> CoC meeting on 01.09.2018, the suspended directors turned up and agreed to cooperate and submit the documents within 15 to 20 days. The CoC agreed to provide them time till 20.09.2018. However, despite regular follow ups, the ex-directors avoided Mr. Jhawar. Hence, on 16.09.2018, a reminder email was also sent to them.
- 3.5 The copies of deeds which were received by Mr. Jhawar were sent to the valuers appointed for valuation purposes. Valuers also could not locate the assets due to no demarcation and incomplete details and demanded for additional documents. Valuers also tried to coordinate with the ex-directors but could not get cooperation from them and thus, valuation report could not be processed.
- 3.6 In the 5<sup>th</sup> CoC meeting on 03.10.2018, Mr. Jhawar again informed CoC members about the continuing non-cooperation from the ex-directors and it was decided to report the same to Hon'ble NCLT. However, since the CoC was comprised of homebuyers only, their primary objective behind initiating and continuing the CIRP was to recover the money invested by them in the CD and they were not interested in keeping the CD as a going concern and did not even wish to contribute to the CIRP expenditure. Therefore, in the 5<sup>th</sup> CoC meeting, it was unanimously decided to initiate liquidation proceeding. Further, since the CD had no business operations resulting into cash generation, Mr. Jhawar, as an RP, also faced financial crunch.
- 3.7 Mr. Jhawar submitted that throughout the CIRP period, he tried his best to take custody of the assets and he was worried not only about the identification of the assets for which deeds were given to him but also for all other title deeds which were not provided and which amounted to more than 92 percent of the total title deeds with the ex-directors. Despite his best efforts, he was unable to take the physical possession and custody of about 180 tracts of agriculture land due to various reasons as stated above.
- 3.8 Further, the ex-directors failed to cooperate with Mr. Jhawar since the very beginning of the CIRP and despite repetitive initiatives from his side, they delayed and refused submission of various relevant documents and information.
- 3.9 Mr. Jhawar further submitted that he was advised that once the resolution for liquidation is passed by CoC members, further application w.r.t. non-cooperation can only be initiated once the liquidation order is passed by NCLT. Hence, he failed to initiate action under the relevant provisions of the Code even after NCLT's recommendation that appropriate course of action under the Code, should be initiated.
- 3.10 He also submitted that over the entire CIRP period, he has been paid a sum of Rs.1,38,480 plus out of pocket expenses of Rs. 4225.00 towards his services as an IRP against the approved fee of Rs. 2,00,000/- and no fee has been paid for the period served as RP

against the approved fee of Rs. 3,00,000/- per month aggregating to Rs. 15,00,000/-. The cash available in the Bank of the CD was utilized to pay off other expenses such as statutory auditor's fees, staff salary, fees payable to valuers etc. and upon commencement of liquidation proceedings, the funds available with him were duly handed over to the liquidator with proper records.

- 3.11 Mr. Jhawar also mentioned that he is suffering from serious illness since June, 2018 after admission of CIRP of the said CD which might have caused delays in his actions during the CIRP period.
- 3.12 During the virtual hearing held on 16.09.2020, Mr. Jhawar appeared before the DC. Mr. Jhawar reiterated the submissions made by him in his written reply to SCN. He further submitted that the mistakes committed by him were *bonafide* with no malicious intent.

### **Analysis and finding**

4. The DC after considering the SCN, oral and written submissions of Mr. Jhawar and also the provisions of the Code and the regulations made thereunder, proceeds to dispose of the SCN.
- 4.1 The DC notes that an IP plays a crucial role in the CIRP and liquidation processes under the Code. He takes important business and financial decisions that may have substantial bearing on the interests of all stakeholders. In such a scenario, it becomes imperative for an IP to perform his duties with utmost care and diligence. It is also the duty of an IP to manage, preserve and protect the assets of the CD. Section 18 of the Code expressly provides that the IRP shall take control and custody of any asset over which the corporate debtor has ownership rights while section 20 mandates the IRP to make every endeavour to protect and preserve the value of the property of the corporate debtor. Similarly, under section 25 of the Code, it is the duty of the RP to preserve and protect the assets of the corporate debtor, including the continued business operations of the corporate debtor.
- 4.2 The UNCITRAL Legislative Guide on Insolvency Law spells out the role of an 'insolvency representative' in the following words:
- “[T]he insolvency representative plays a central role in the effective and efficient implementation of an insolvency law, with certain powers over debtors and their assets and a duty to protect those assets and their value, as well as the interests of creditors and employees, and to ensure that the law is applied effectively and impartially. Accordingly, it is essential that the insolvency representative be appropriately qualified and possess the knowledge, experience and personal qualities that will ensure not only the effective and efficient conduct of the proceedings and but also that there is confidence in the insolvency regime.”*
- 4.3 The BLRC, the recommendations of which has led to the enactment of the Code, in its Final Report, has also laid emphasis on the role of an IP as follows:

*“The Insolvency Professionals form a crucial pillar upon which rests the effective,*

*timely functioning as well as credibility of the entire edifice of the insolvency and bankruptcy resolution process. ...In administering the resolution outcomes, the role of the IP encompasses a wide range of functions, which include adhering to procedure of the law, as well as accounting and finance related functions. The latter include the identification of the assets and liabilities of the defaulting debtor, its management during the insolvency proceedings if it is an enterprise, preparation of the resolution proposal, implementation of the solution for individual resolution, the construction, negotiation and mediation of deals as well as distribution of the realisation proceeds under bankruptcy resolution. In performing these tasks, an IP acts as an agent of the adjudicator. In a way the adjudicator depends on the specialized skills and expertise of the IPs to carry out these tasks in an efficient and professional manner...This creates Role of Resolution Professionals in CIRP the positive externality of better utilisation of judicial time.”*

- 4.4 It is the duty of the IP to take reasonable care and diligence while performing his duties and to observe the provisions of the Code and the regulations. There are various duties which the IP needs to perform under the Code. Section 17(1)(b) and (c) of the Code provides for management of affairs of CD by the IRP which reads as under:

*“17. Management of affairs of corporate debtor by interim resolution professional.*

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- (1) From the date of appointment of the interim resolution professional, -*
- (b) the powers of the board of directors or the partners of the corporate debtor, as the case may be, shall stand suspended and be exercised by the interim resolution professional;*
- (c) the officers and managers of the corporate debtor shall report to the interim resolution professional and provide access to such documents and records of the corporate debtor as may be required by the interim resolution professional;”*

Further, section 18 of the Code lists out the duties of IRP and provides, *inter alia*, as under:

*“18. Duties of interim resolution professional. —*

*The interim resolution professional shall perform the following duties, namely:-*

- (a) collect all information relating to the assets, finances and operations of the corporate debtor for determining the financial position of the corporate debtor, including information relating to –*
- (i) business operations for the previous two years;*
- (ii) financial and operational payments for the previous two years;*
- (iii) list of assets and liabilities as on the initiation date; and*
- (iv) such other matters as may be specified;*
- (b) receive and collate all the claims submitted by creditors to him, pursuant to the public announcement made under sections 13 and 15;*
- (c) constitute a committee of creditors;*

- (d) monitor the assets of the corporate debtor and manage its operations until a resolution professional is appointed by the committee of creditors;
- (e) file information collected with the information utility, if necessary; and
- (f) take control and custody of any asset over which the corporate debtor has ownership rights as recorded in the balance sheet of the corporate debtor, or with information utility or the depository of securities or any other registry that records the ownership of assets including –
  - (i) assets over which the corporate debtor has ownership rights which may be located in a foreign country;
  - (ii) assets that may or may not be in possession of the corporate debtor;
  - (iii) tangible assets, whether movable or immovable;
  - (iv) intangible assets including intellectual property;
  - (v) securities including shares held in any subsidiary of the corporate debtor, financial instruments, insurance policies;
  - (vi) assets subject to the determination of ownership by a court or authority;”.

4.5 The Code also provides under section 20(1) that an IRP shall protect and preserve the value of the property of the CD and manage the operations of the CD. It reads as under:

*“20. Management of operations of corporate debtor as going concern. –*  
*(1) The interim resolution professional shall make every endeavour to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as a going concern.”.*

4.6 In section 25 of the Code, duties of professional are enlisted which, *inter alia*, provides that an IP shall preserve and protect the assets of the CD and must take immediate custody and control of all the assets of the CD. Section 25 reads as follows:

*“25. Duties of resolution professional. –*  
*(1) It shall be the duty of the resolution professional to preserve and protect the assets of the corporate debtor, including the continued business operations of the corporate debtor.*  
*(2) For the purposes of sub-section (1), the resolution professional shall undertake the following actions, namely: -*  
*(a) take immediate custody and control of all the assets of the corporate debtor, including the business records of the corporate debtor;”.*

4.7 In the present case, the property of the CD comprised of open agricultural land without any demarcation/ identification and the ex-directors, provided to Mr. Jhawar, only title deeds of 180 plots of land for seven locations and failed to deliver all the title deeds of such assets of land. Mr. Jhawar’s contention that despite having title deeds of 180 plots of land for seven locations, he could not take control and custody of the property for the reason of non-cooperation of the ex-directors in identification of these plots is not tenable. The DC, in this regard, notes the observations made by AA in its order dated 29.10.2018 which are stated as under:

*“9. It is quite unfortunate to take note that the RP has not taken any earnest effort to see that the landed properties of the Corporate Debtor are identified and its valuation is fixed by appointing professionals from qualified surveyors or revenue authorities etc. The explanation that the Corporate Debtor has not co operated with him is a lame excuse. He was seen to be in receipt of seven original documents and copies of deeds related to remaining properties. Is it not sufficient to identify the properties which are the only assets of the Corporate Debtor?. No argument was advanced to my satisfaction.*

*Nothing prevented him from appointing Professionals like Surveyors and getting aid from the Revenue authorities for collection of details regarding the landed properties. Such an attempt or effort was not seen to be taken on the side of the RP. There is no investigation regarding the landed properties as such, seen conducted by the RP... The Ld. RP though was directed to initiate action as provided under Section 74 (3) of the Code but no action as such was initiated so as to comply such directions by the Directors.*

*10...it appears to me that though the RP has failed in its attempts in complying with the Code so as to achieve the objective of appointing him, the only alternative to be done in the case of this nature is to pass an order requiring the Corporate Debtor to be liquidated in the manner as laid done in Chapter III read with Section 33 (1) of the Code.*

*...I found that the RP has not taken as much care to comply with the statutory duties cast upon him in performing his duty as an RP.”*

- 4.8 The aforesaid observations clearly indicate that AA has found that Mr. Jhawar did not made any effort to investigate and identify the landed properties of the CD by appointing professionals from qualified surveyors or revenue authorities for collection of details regarding the landed properties, etc. In his submission, Mr. Jhawar did not mention about any concrete efforts being taken by him nor any evidence was produced by him which may prove that he did make an effort to take control and custody of the lands of the CD. He mentioned that it was difficult for him to construct boundary wall for preservation of the property. In this regard, the DC notes that, usually, there is no boundary wall of the agricultural land and construction of the same was not required for preservation and protection of such land.
- 4.9 In the present case, Mr. Jhawar should have approached the revenue authorities to inform them about his appointment as an IRP and his authority to take control of the assets of CD. He should have appointed surveyors for identification of the properties based on the 180 title deeds which were provided to him by the ex-directors. Moreover, despite the statutory duties under sections 18(1) and 25(1)(a), he failed to do so. This lapse on his part has pushed the CD into liquidation as observed by the AA in its order dated 29.10.2018. Thus Mr. Jhawar has contravened sections 18 (1) (f), 20(1) and 25(2) (a) of the Code.
- 4.10 The DC also notes the fact of non-co-operation by the ex-directors in identification of the assets of the CD. Mr. Jhawar pointed out the fact of non-co-operation by the ex-directors

before the CoC members in the 4<sup>th</sup> CoC meeting held on 01.09.2018. Relevant extract of minutes of this meeting in relation to Item No. 6 is as under:

*“Three suspended Directors were present on behalf of the Corporate Debtor and all the members of the Committee including the RP reiterated the point of noncooperation by them. In response, Mr. Kalidas Mukherjee, one of the suspended Director, informed the Committee that he has already handed over the copies of documents of the Purulia, Sonarpur, Aurobindanagar, Baruipur-2<sup>nd</sup> part and Lease Deed of Hahnemann Lodge to RP till date. The remaining documents relating to Medinipur, Bolpur and others would require some more time. But the Committee members reminded him that as per the direction of the Tribunal he was supposed to hand over all those papers within 5 pm, 21/08/2018. However, after a prolonged persuasion by all, he ultimately agreed to do the same within 20.09.2018. Then, the Committee advised him to file a petition seeking time till 20<sup>th</sup> September, 2018 before the Hon’ble Tribunal in its next hearing. However, it was decided that Mr. Dilip Mukherjee, one of the suspended Director, shall arrange for inspection of Sonarpur and Baruipur lands by the appointed valuers while the same for other lands shall be arranged by Mr. Kalidas Mukherjee himself on behalf of CD.”*

- 4.11 In the 5<sup>th</sup> CoC meeting dated 03.10.2018, Mr. Jhawar again brought the fact of non-cooperation of ex-directors to the notice of CoC members. Minutes of the item No. 4 of the 5<sup>th</sup> CoC meeting is as under:

*“The Chairman informed the members of the Committee that in spite of repeated requests followed by direction of the NCLT, the suspended Directors of the Corporate Debtor are not expecting the necessary cooperation to him. Despite their attending the last meeting held on 01/09/2018 coupled with promise to provide all the information/ documents by 20-09-2018, the suspended Directors of the Corporate Debtor failed to do the same. The RP again reminded the suspended directors to provide remaining information/ documents on 16/09/2018. Committee, after discussion, advised RP to report the matter of non cooperation before N.C.L.T. in the next hearing.”*

- 4.12 In the same meeting, the CoC members unanimously agreed to go for liquidation of the CD. In the minutes of 5<sup>th</sup> CoC meeting, in relation to item no. 6 & 9, it has been stated as follows:

*“RP informed the Committee that due to absence of necessary information and documents as explained above, no Information Memorandum of the company could be prepared till date. Hence, publication of Form G inviting Resolution Plans could not be done. He further informed that non feasibility of drawing up resolution plans, there is no other possibility left but to recommend for liquidation of the Company since there are hardly few days left out of the total period of 180 days. Committee, seeing no other avenues, ultimately agreed to the Liquidation proposal unanimously (100% of the members present and 78.99 of the total voting share) and advised to RP to inform N.C.L.T. accordingly.”*

- 4.13 In the above backdrop, the DC notes that the ex-directors did not provide relevant



documents and information to Mr. Jhawar despite repeated request and reminder to the ex-directors dated 16.09.2018 to send all necessary documents to him to complete the insolvency process., The DC also notes the observations made by the AA in this regard vide order dated 29.10.2018 as follows:

*“...Truly, there is a deliberate non-cooperation on the side of the Corporate Debtor. The non co-operation no doubt warrants action against the Directors of the suspended Board under sub-section 3 of Section 74 of the Code. Though the Directors were warned by an order of this adjudicating authority, the Corporate Debtor did not comply with the directions. The Ld. RP though was directed to initiate action as provided under Section 74(3) of the Code but no action as such was initiated so as to comply such directions by the Directors...”*

- 4.14 The DC also notes that section 19 of the Code obligates the personnel of the CD to extend co-operation to the RP and if they fail to extend necessary co-operation, the RP may make an application to the AA for necessary directions. Section 19 of the Code reads as under:

*“19. Personnel to extend co-operation to interim resolution professional. –  
(1) The personnel of the corporate debtor, its promoters or any other person associated with the management of the corporate debtor shall extend all assistance and cooperation to the interim resolution professional as may be required by him in managing the affairs of the corporate debtor.  
(2) Where any personnel of the corporate debtor, its promoter or any other person required to assist or cooperate with the interim resolution professional does not assist or cooperate, the interim resolution professional may make an application to the Adjudicating Authority for necessary directions.”*

- 4.15 It is imperative upon an IP, who does not get cooperation from the ex-directors, to actively bring the fact thereof to the notice of the AA. However, Mr. Jhawar failed to take any further steps against the ex-directors except for bringing the same to the notice of the CoC members. Mr. Jhawar failed to take any action against the ex-directors for their non-cooperation despite directions by the AA in its order dated 21.08.2018. His contention that once resolution of liquidation is passed, the application with respect to non-cooperation can be initiated after the passing of liquidation order by the AA is untenable. Thus Mr. Jhawar failed to take action for non-cooperation by the ex-directors under section 19(2) of the Code. This conduct of Mr. Jhawar is in contravention of the Section 208 (2)(a) & (e) of the Code and Regulation 7 (2)(h) of the IP Regulations read with clause(s) 10 and 14 of the Code of Conduct contained in the First Schedule of the IP Regulations.
- 4.16 Professionals are persons having domain knowledge and experience. They lay down the benchmark for their quality, efficiency and good governance. Under the provisions of the Code, an IP is recognized as an important component of the ecosystem who has been entrusted with a wide range of functions so as to effectively strive to maximise the value of assets of debtor during the resolution process. The credibility of the whole process under the Code hinges upon the conduct and professional competence of IP who is required to observe the code of conduct. In this regard, the Code provides under section 208 (2) as follows:

*“208. Functions and obligations of insolvency professionals.*

*(2) Every insolvency professional shall abide by the following code of conduct: –*

*(a) to take reasonable care and diligence while performing his duties;*

*(e) to perform his functions in such manner and subject to such conditions as may be specified.”.*

4.17 Regulation 7(2)(h) of the IP Regulations require an IP to abide by the code of conduct specified in the First Schedule to these regulations. It provides as follows:

*“7. Certificate of registration.*

*(2) The registration shall be subject to the conditions that the insolvency professional shall –*

*(h) abide by the Code of Conduct specified in the First Schedule to these Regulations;”*

4.18 The IP Regulations provides in the First Schedule the Code of Conduct to be followed by the IPs during the processes. Code of Conduct is a charter of professional norms which establishes the credibility of the process. Clause 10 and 14 of the First Schedule provides as under:

*“10. An insolvency professional must maintain and upgrade his professional knowledge and skills to render competent professional service.*

*14. An insolvency professional must not act with mala fide or be negligent while performing his functions and duties under the Code.”.*

4.19 Mr. Jhawar is a professional and he is expected to undertake all actions which are required to take control of the assets of CD. He did not do so, despite the statutory duties under sections 18(1) and 25(1)(a) of the Code. This is the most important and primary duty as without collection of information of assets and control and custody of assets, the IRP cannot determine the financial position of the CD and cannot determine the avoidance transactions too. The DC notes that Mr. Jhawar’s illness since 2018 may be considered as an excuse, however, that does not justify his conduct of not pursuing the non-cooperation by the ex-directors before the AA.

5. In the aforesaid backdrop and on the basis of analysis and findings in para 4, the DC finds that Mr. Jhawar’s conduct, in not making material efforts to identify and to take control of assets of CD as also is not filing application under section 19(2) for non-cooperation of the ex-directors, reflects his professional incompetence and negligence. Further, Mr. Jhawar did not make sincere efforts to take control and custody of the lands of the CD despite the statutory duties under sections 18(1) and 25(1)(a) as observed by the AA in its order dated 29.10.2018. Thus Mr. Jhawar admittedly failed to take control and custody of the property of CD which frustrated the whole CIRP process and the CD was pushed into liquidation. This conduct of Mr. Jhawar is in contravention of sections 18(1)(f), 20(1), 25(2)(a), 208(2) (a) and (e) of the Code and regulation 7(2)(h) of IP Regulations and

clauses 10 and 14 of the Code of Conduct under First Schedule of the IP Regulations.

**Order**

6. In view of the above, the Disciplinary Committee, in exercise of the powers conferred under Section 220 of the Code read with sub-regulations (7) and (8) of Regulation 11 of the IBBI (Insolvency Professionals) Regulations, 2016 and Regulation 13 of IBBI (Inspection and Investigation) Regulations, 2017, disposes of the SCN with the following directions:-
- (i) Mr. Manmohan Jhavar shall not seek or accept any process or assignment or render any services under the Code for a period of six months from the date of coming into force of this Order. He shall, however, continue to conduct and complete the assignments / processes he has in hand as on date of this order.
  - (ii) This Order shall come into force on expiry of 30 days from the date of its issue.
  - (iii) A copy of this order shall be forwarded to the Indian Institute of Insolvency Professional of ICAI where Mr. Manmohan Jhavar is enrolled as a member.
  - (iv) A copy of this Order shall also be forwarded to the Registrar of the Principal Bench of the National Company Law Tribunal, for information.
7. Accordingly, the show cause notice is disposed of.

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(Dr. Mukulita Vijayawargiya)  
Whole Time Member, IBBI

Dated: 6<sup>th</sup> November, 2020  
Place: New Delhi