

**INSOLVENCY AND BANKRUPTCY BOARD OF INDIA**  
**(Disciplinary Committee)**

No. IBBI/DC/284/2025

25 April 2025

**ORDER**

This Order disposes of the Show Cause Notice (SCN) No. COMP-11011/176/2021-IBBI//850/145 dated 05.04.2024 issued to Mr. Vikas Prakash Gupta, who is an Insolvency Professional (IP) registered with the Insolvency and Bankruptcy Board of India (IBBI/Board) having Registration No. IBBI/IPA-001/IP-P00501/2017-2018/10889 and a Professional Member of the Institute of the Chartered Accountants of India ICAI (IIP-ICAI).

**1. Background**

- 1.1 The Corporate Insolvency Resolution Process (CIRP) of Kamachi Industries Limited (Corporate Debtor/CD) was initiated *vide* Order dated 19.02.2020 by the NCLT, Chennai Bench (AA) on an application filed by State Bank of India before the AA under Section 7 of the Code. Mr. Vikas Prakash Gupta was appointed as the Interim Resolution Professional (IRP) to conduct the CIRP and he was later confirmed as the Resolution Professional (RP).
- 1.2 The Board received a complaint against Mr. Vikas Prakash Gupta. In the exercise of its powers under Section 218 of the Code, read with Regulations 7(2) and 7(3) of Insolvency and Bankruptcy Board of India (Inspection and Investigation), Regulations, 2017 (Investigation Regulations), appointed an Investigating Authority (IA) to investigate the conduct of Mr. Vikas Prakash Gupta in the CIRP of the CD. The IA served notice of investigation upon Mr. Vikas Prakash Gupta as per Regulation 8(1) of the Investigation Regulations to which he submitted his reply on 16.08.2022. After considering the reply, the IA submitted the Investigation Report (IR) to the Board.
- 1.3 On the basis of the finding in the investigation report, the Board formed a *prima facie* view that Mr. Vikas Prakash Gupta had contravened the provisions of the Code and the Regulations made thereunder and issued a SCN to Mr. Vikas Prakash Gupta on 05.04.2024. The SCN alleged contraventions of several provisions of the IBBI (Insolvency Professionals) Regulations, 2016 (IP Regulations) and Board Circular No. IP/004/2018 dated 16.01.2018. The reply of Mr. Vikas Prakash Gupta to the SCN was received by the Board on 19.04.2024.
- 1.4 The SCN and the reply of Mr. Vikas Prakash Gupta to the SCN were referred to the Disciplinary Committee (DC) for disposal. Mr. Vikas Prakash Gupta availed an opportunity of personal hearing before the DC on 27.02.2025 wherein he appeared with his Advocate Mr. Spandan Biswal and provided his additional submissions on 03.03.2025.

**2. Alleged Contraventions, Submissions of Mr. Vikas Prakash Gupta and Findings**

The contraventions alleged in the SCN, submissions by Mr. Vikas Prakash Gupta and analysis and findings of the DC are summarized as follows:

- 2.1.1 It was observed from the minutes of the 2<sup>nd</sup> meeting of the Committee of Creditors (CoC) that an agenda was put before the CoC for the appointment of Quantum Professional Private Limited (Quantum) as a support service agency for a monthly fee of Rs.2.85 lakh (Rupees two lakh eighty five thousand). On the date of engagement, Quantum was not recognised as an Insolvency Professional Entity (IPE) by the Board.
- 2.1.2 The CoC, in its 2<sup>nd</sup> meeting, approved the total fee of Rs.4.50 lakh (Rupees four lakh fifty thousand), i.e. Rs.1.65 lakh (Rupees one lakh sixty five thousand) for the fees of Mr. Vikas Prakash Gupta and Rs.2.85 lakh (Rupees two lakh eighty five thousand) plus applicable taxes and out of pocket expenses (OPE) for the support service provided by the Quantum.
- 2.1.3 However, Mr. Vikas Prakash Gupta took a consolidated fee of Rs.4.50 lakh (Rupees four lakh fifty thousand) per month in his name. He disclosed in CIRP Form 2 filed with IBBI that the said fee was inclusive of the fee for support services. This did not bring any clarity of segregation of his fees and that of Quantum as was required by the Circular No. IP/004/2018 dated 16.01.2018, which mandates that any other professional appointed by an IP shall raise bills / invoices in his / its name towards such fees, and such fees shall be paid to his / its bank account.
- 2.1.4 From the disclosures made by Mr. Vikas Prakash Gupta to the concerned Insolvency Professional Agency (IPA), IIIPI of ICAI, it was noted that he did not make any disclosure to the IPA about taking consolidated fee for himself and also for Quantum. It indicated that said fee of Rs.4.5 lakh (Rupees four lakh fifty thousand) was payable entirely to Mr. Vikas Prakash Gupta. Any arrangement as claimed by Mr. Vikas Prakash Gupta before the IA were neither recorded in any of the CoC deliberations or decisions nor supported by any evidence or material on record.
- 2.1.5 Regulation 25A of the IP Regulations provides that an IP shall disclose fee payable to it, the fee payable to the IPE, and the fee payable to professionals engaged by it to the IPA of which he is a professional member, and the agency shall publish such disclosure on its website. The same is to be submitted within seven days from the date of demitting the office as the RP of the CD. Further, Regulation 26A of the IP Regulations provides that an IP shall not accept/share any fees or charges from any professional and/or support service provider who are appointed under the processes.
- 2.1.6 IBBI Circular No. IP/004/2018 dated 16.01.2018 mandates that any other professional appointed by an IP shall raise bills / invoices in his / its name towards such fees, and such fees shall be paid to his / its bank account. These provisions are intended to segregate fees of the RP and the support services in order to avoid any commingling so as to ensure fair dealings.
- 2.1.7 It appeared that Mr. Vikas Prakash Gupta did not segregate fee for himself and for Quantum as decided by the CoC and as required by Circular No, IP/004/2018 dated 16.01.2018. Further, Mr. Vikas Prakash Gupta disclosed in CIRP Form-2 to IBBI misleading information that his fee is inclusive of fee for support services and concealed this crucial information from the

IPA. This conduct indicates, a design in taking consolidated fees in his account in defiance of the CoC decision and the IBBI circular.

2.1.8 In view of the above, the Board held the *prima facie* view that Mr. Vikas Prakash Gupta had contravened the Regulations 7(2)(a) and (h) of the IP Regulations read with Clauses 1, 2, 3, 25A and 26A of the Code of Conduct as specified in the First Schedule of the IP Regulations and Board circular No. IP/004/2018 dated 16.01.2018.

## **2.2 Submissions by Mr. Vikas Prakash Gupta.**

2.2.1 Mr. Vikas Prakash Gupta submitted that the CoC in its 1<sup>st</sup> meeting was presented with the proposed fees for the RP and the support services to the RP, and a breakdown of the fees which would be payable to each contracted individuals of the support services and fees for infrastructural support. This resolution was not approved by the CoC as the CoC wanted to commercially negotiate the consolidated fees.

2.2.2 Mr. Vikas Prakash Gupta submitted that he in the capacity of the IRP and subsequently as the RP as well as the contracted individuals continued to discharge the duties for close to 60 days without any payment, in good faith, while the CoC was yet to approve the fee for the RP and for the support services. It was submitted that the emails were sent from Mr. Vikas Prakash Gupta to the CoC explaining the contracted individuals' roles, and setting out the fees which would be payable to each of the contracted individuals, and also informing the CoC of such persons providing services without payment.

2.2.3 He submitted that the CoC in its 2<sup>nd</sup> meeting negotiated a consolidated fee for the RP and the support services and approved a revised proposal regarding consolidated fees of RP and the fees for support services. The CoC under Section 28 of the Code is entitled to only approve the CIRP cost, i.e. the cap on fees payable for such services, and whereas the RP determines who to source such services from and if such services are required or not.

2.2.4 Originally, the RP proposed to avail the services of Quantum as a procurement agency with the identified individuals being contracted via Quantum. Accordingly, the original fee proposal which had been presented to the 1<sup>st</sup> CoC, in its itemised breakdown which has been presented to the CoC, had a significant fee payable to Quantum for provision of infrastructure support. However, the second fee proposal which was subsequently approved did not have any fee payment to Quantum, with all payments being made to the team members. The contracted individuals were paid their fees via bank account transfers from him, and TDS was deducted for such payments.

2.2.5 He submitted that since the fees in the CD was approved on a consolidated basis by the CoC, the disclosure was appropriately made in the Form 2 filed with IBBI on 04.08.2020, wherein in the remarks at point No. T, he stated that "*The fees related to IRP in point no. L includes fees related to other support services to IRP.*" In the disclosures made to the IPA, he made full disclosures of the nature of the consolidated fees including the fees for support services

in the remarks column stating that *“the RP fees is inclusive of the Support Service Fees payable to the RP as approved by the CoC”*.

- 2.2.6 He submitted that a presentation of the CIRP costs for the RP and for the support services was made in the CoC meetings and shared in the data room for inspection by the CoC members, and no query or objection was raised by the CoC members as it was in line with the approval accorded by them.
- 2.2.7 He submitted that he never appropriated any amount which were payable to any of the service providers; and not personally profited from any payments or made any gains in the transactions and that there was no malafide on his part. All the amounts which were received for support services were transferred to the individual contractors through banking channels, and none was retained by him.
- 2.2.8 The consolidated amount of Rs.4.50 lakh (Rupees four lakh fifty thousand), i.e. Rs.1.65 lakhs (Rupees one lakh sixty five thousand) plus Rs.2.85 lakh (Rupees two lakh eighty five thousand) at all points of time, was disclosed as the total cost towards the engagement of the IP and for payment for support services, respectively. The upfront breakdown of these amounts, by name of each contracted professional, had been provided to the CoC and the CoC had decided the budget for support service fees. Hence there is no suppression of the arrangement from the CoC. This has also been presented to the CoC in every CoC meeting.
- 2.2.9 He submitted that the transfer of payments to the contracted professionals for support services were all undertaken through bank transfers and for invoices raised by such professionals. Each of the contracted individuals who provided support services were professionals, and other than two team members who were industry experts for the steel industry, all the other team members were regulated by a professional body. This was also in line with the applicable laws issued by the IBBI. Further, no fees was shared by the contracted professionals with him.
- 2.2.10 Mr. Vikas Prakash Gupta additionally submitted that the CoC has the authority to prescribe an upper limit for CIRP costs but does not have the power to approve each appointment made by the RP to assist in the CIRP process. This is in accordance with Regulation 31 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) which governs insolvency resolution process costs. He submitted that neither the CoC nor any other person under the Code has the authority to determine the internal team of the RP, particularly individuals who are not professionals exercising roles explicitly recognized under the Code. The AA is responsible for approving the appointment of the RP, and thereafter the Code only contemplates the appointment of specific professionals such as the RP, registered valuers, and other professionals required for the business of the CD, within the financial limits set by the CoC. However, the Code does not provide for or regulate the composition of any IP's internal team appointed in his personal capacity, which are distinct and separate from professionals and teams which are appointed by the IP in his capacity as an RP of a specific CD. In case of the latter, the appointment is formally done as an engagement by the RP or the CD and billed directly by the relevant professional to the CD. For example, an IP may have an in house team comprising of secretarial, legal, administrative persons to support him in

fulfilling his in his professional responsibilities. These teams do not require the CoC's approval, as they are not engaged in a formal capacity on behalf of the CD or by the IP in his capacity as the RP. The role and responsibilities of such internal teams are to the RP in his personal capacity and the RP remains liable for the work done by his internal team. This is distinct from professionals explicitly engaged under the framework of the Code, who have direct obligations under the Code and are responsible to the RP.

2.2.11 He submitted that the circular referenced in the SCN cannot be extended to cover the RP's internal team. The intent of these circulars is to regulate professionals appointed by the RP as part of the CIRP, not those assisting the RP in his independent functions. The reference in the circulars to "other professionals" pertains only to those professionals formally appointed by the CoC for the CD's CIRP. This interpretation is further supported by the fact that the circular itself cites valuation experts as an example of "other professionals," reinforcing that the scope of regulation applies only to those professionals formally recognized by and engaged in the CIRP. Accordingly, any attempt to extend the applicability of these circulars to the RP's internal team or personal professional engagements would be misplaced and beyond the scope of the Code and the regulatory intent.

2.2.12 He submitted that when the AA appoints an RP, it only appoints the RP and does not dictate or impose any restrictions on the selection of the RP's internal team. After appointment, the RP has the discretion to choose his team, including support staff or external assistance, to efficiently discharge his duties. The selection of such personnel is an operational matter within the RP's domain and does not require separate approval from the CoC or any other authority. However, all expenses incurred by the RP towards any such team is a personal arrangement and not subject to any determination of overall financial limits approved by the CoC for the CIRP process. In essence, the RP pays these costs out his own pockets, the RP is free to structure his team as necessary to ensure the smooth execution of his responsibilities.

2.2.13 He submitted as follows:

- (i) He received an overall fee of Rs.4.50 lakh (Rupees four lakh fifty thousand) per month, which includes Rs.1.65 lakh (Rupees one lakh sixty five thousand) as his fee as the RP and Rs.2.85 lakh (Rupees two lakh eighty five thousand) allocated for support services.
- (ii) He already disclosed this consolidated fee, as the fees of the RP to the IPA and the CoC. The fee was always represented as a composite RP fee, and the detailed break-up provided was solely for the sake of transparency. Therefore, it was incorrect to unilaterally attempt to subdivide the RP fee when it was never presented as a divisible amount.
- (iii) At no point any CoC members raised any grievance regarding the payment of the composite RP fee to Mr. Vikas Prakash. Furthermore, after conducting an investigation, the IPA did not find any irregularities in the payment process. The entire composite fee was credited to his designated bank account. The subsequent distribution of these funds from his bank account to his internal team was beyond the regulatory scope of the IBBI. However, to assuage any concerns regarding the manner in which these amounts were allocated, and without prejudice to the aforesaid, he also provided TDS filings and bank statements, which demonstrate the further payment of these amounts to his internal team.

(iv) The minutes of the CoC meetings adequately disclosed the list of persons who were part of the RP's internal support team and who did not draw any direct fees from the CIRP process. As an example, in the 15<sup>th</sup> CoC minutes, where the RP support team were present and disclosed. Therefore, there was no misrepresentation to the CoC regarding the composition of the RP support team.

2.2.14 Mr. Vikas Prakash Gupta submitted that Quantum is an incorporated entity, with the majority shareholding (90%) owned by him. Presently, there is a corporate dispute pending before the AA between him and the directors of Quantum, including Mr. Hari Iyer, the complainant in the present matter. In the course of this corporate dispute, the directors have attempted to embroil the IBBI and IPA by way of the aforesaid complaint, which lacks any factual or legal basis. Notably, Mr. Hari Iyer made the complaint in his capacity as a representative of Quantum, despite his own position being the subject matter of an operation and mismanagement case. Given this context, his complaint ought to be disregarded. Moreover, since the entire economic interest of Quantum is held by him, Quantum cannot be considered an aggrieved party in this matter. This shareholder dispute came to light when Quantum represented by Mr. Hari Iyer and Mr. Ramesh Kumar, attempted to misuse the authority of the RP to make unauthorized and illegal transactions from the bank account of the CD. This issue was formally reported to the IBBI and to the attention of the CoC through the member co-ordinating the issue on 01.06.2021. Thus, the services of Mr. Hari Iyer and Quantum were immediately suspended. To re-engage Mr. Hari Iyer and Quantum after such incidents, disclosed to both the IBBI and the CoC, would enable commission of wrongful actions by Hari Iyer/ Quantum in team of Mr. Vikas Gupta in his capacity as RP. This would effectively create an avenue for potential illegal acts under the guise of CIRP administration. The SCN did not consider these crucial aspects and did not take into account the shareholder dispute, the unauthorized actions attempted by Mr. Hari Iyer, or the timely disclosures made by Mr. Vikas Gupta to the IBBI and the CoC. Quantum has not claimed any payments as CIRP costs before any judicial fore including the AA, which is the proper course of action for any person seeking payment of CIRP costs. This demonstrates that there was no claim by Quantum in the CIRP of the CD, and therefore no grievance. The dispute between Quantum and him, in his personal capacity, are currently *sub judice* before the AA in a case under the Companies Act, 2013, and not under the IBC.

2.2.15 He submitted that the records clearly demonstrate that all actions undertaken by Mr. Vikas Prakash Gupta were in accordance with the CoC approvals and regulatory guidelines. The fee structure was explicitly sanctioned by the CoC, disclosures were made to the relevant authorities, and all financial transactions were conducted transparently through banking channels, as evidenced by invoices, TDS filings, and bank records. The claim of the financial mismanagement is unsubstantiated. The payments were appropriately made to the professionals engaged in the CIRP, and there was no evidence of misappropriation of funds. The regulatory requirements concerning invoicing and payments were adhered to, and any claims to the contrary stem from misinformation and baseless allegations.

### 2.3 Analysis and Findings of the DC.

2.3.1 The DC notes that in the minutes of 1<sup>st</sup> CoC meeting dated 05.05.2020, it was stated that

*“IRP appraised the CoC members that he wish to continue as RP at the same professional fee which is approved by State Bank of India. CoC members consented for the same. He further appraised to approve the fee of for support services at Rs. 5.77 Lacs (exclusive of Taxes) detailed breakup given in Exhibit – B. CoC members took note of the same and informed that they will take approval on the same from their higher authorities. The agenda is put for e-voting.”*

2.3.2 The Exhibit-B to the first CoC disclosed head wise fees for the support services as follows:

<b>Sr.</b>	<b>Particulars</b>	<b>Name and Designation</b>	<b>Monthly fee chargeable</b>
<i>Ii</i>	<i>Professional fee, if any, payable to Consultancy firm associated with IRP for infrastructural support</i>	<i>Quantuum Resolution P Ltd</i>	<i>135000</i>
<i>Iii</i>	<i>Professional fee towards engagement of industry specialist to run the operations of CD</i>	<i>Mr. Hari Iyer</i>	<i>65000</i>
<i>Iv</i>	<i>Professional fee towards engagement of full time Chartered Accountant</i>	<i>Shomit Bagchi– FCA</i>	<i>75000</i>
<i>V</i>	<i>Professional fee towards retainership of Insolvency lawyer/Advocate in the CIRP for other than appearing in cases contested by any other stakeholders</i>	<i>Pooja Ojha - CS, LLB</i>	<i>60000</i>
<i>Vi</i>	<i>Remuneration to MIS/Data/IT specialist for recovering updating ,analysing computer data related operations, accounts, salary of employees etc.</i>	<i>Siddharth Gupta - FCA Sridhar – CWA</i>	<i>62000</i>
<i>Vii</i>	<i>Remuneration on other Managers/staff to be engaged for cash flow management and monitoring</i>	<i>Piyush Jani - FCA, IP</i>	<i>50000</i>
<i>Viii</i>	<i>Remuneration of any other key management personnel</i>	<i>Pritesh Ingale – CS</i>	<i>40000</i>
<i>Ix</i>	<i>Remuneration for other support staff and logistics</i>	<i>Pratha - M.Com</i>	<i>35000</i>
<i>X</i>	<i>Rough estimate of out of pocket expenses and taxes (Actual expenses should not exceed by more than 50% of estimates)</i>		<i>50000</i>
<i>Xii</i>	<i>Any other costs/charges</i>		<i>5000</i>
<i>Total Support Service Fees</i>			<i>577000</i>

2.3.3 Thereafter, Mr. Vikas Prakash Gupta forwarded minutes of first CoC meeting to the CoC members on 14.05.2020. One of the CoC members, Andhra Bank raised an issue regarding high fees being quoted for the support staff on 16.05.2020 stating that *“Regarding the supporting staff requested by the IRP it is observed that the fee quoted is on very high side. Further their scope of work and place of work also not explained. As such in our view the same needs detailed discussion in the CoC. As such we request the IRP to postpone the agenda of voting of the supporting service fees to the next CoC.”*

2.3.4 Mr. Vikas Prakash Gupta replied on 19.05.2020 stating, inter alia, that *“It is my duty to bring it to your knowledge that State Bank of India has finalized my appointment as IRP on the basis of the Price Bid (Rs.7.42 Lacs) submitted which consisted of not only the IRP Fees of Rs.1.65 Lacs, but also Support Service Team Fees of Rs.5.77 Lacs for engagement of very experienced personnel in order to keep the Company as a Going Concern as the Plant is a running Unit.”*

2.3.5 The SBI, who is another CoC member replied on 20.05.2020 replied that *“We refer to the trail mail. We recall that in the 1<sup>st</sup> CoC held on 05.05.2020 it was conveyed by us that only IRP’s fees of Rs. 1.65 lacs was approved at the time of appointing Shri V P Gupta as IRP, as normally the support service fees are to be discussed in the CoC and every item is to be approved / ratified by the CoC. Hence approval of support service fees did not arise at the time of selection/ appointment of IRP. The proposal seeking approval in respect of CIRP expenses may to be put before the CoC for discussion and consensus. Accordingly, we suggest that another CoC meeting may be convened, at an early date, after getting opinion from the other CoC members.”* The stand of the SBI was concurred by other CoC members viz. Bank of India and Andhra Bank.

2.3.6 Thereafter 2<sup>nd</sup> CoC meeting was held on 09.06.2020 where it was noted as follows:  
*“IRP informed CoC Members that at the time of selection process a consolidated Fee of Rs.7.42 Lacs comprising IRP fee of Rs. 1.65 Lacs and Support Service Fee of Rs. 5.77 Lacs was submitted and approved by State Bank of India. During the meeting CoC members negotiated and the total fee was further reduced to Rs.4.50 Lacs, resulting the fee of Support Service Agency Fees of Rs. 2.85 Lacs plus applicable taxes and OPE. The agenda of the same is put for voting.*

*...CoC also requested IRP to provide the complete details of the team members of Support service, IRP informed that he has presented the team composition in the 1<sup>st</sup> COC meeting and same shall be shared again with all the COC members.”*

2.3.7 Thereafter, the following resolution was put for voting and approved by CoC after 2<sup>nd</sup> CoC meeting.

**“Voting matters:**

- i. To confirm the appointment of Mr. Vikas Prakash Gupta, IBBI Registration no. IBBI/IPA-001/IPP00501/2017-18/10889 as the Resolution Professional (“RP”) of the Corporate Debtor for a monthly fee of Rs. 1.65 Lacs (Excluding of OPE & Taxes)*
- ii. To confirm the appointment of Quantuum Resolution Professional Private Limited as Support service agency for a monthly fee of Rs. 2.85 Lacs (Excluding OPE & Taxes).”*

Thus, the fee of Rs.2.85 lakh (Rupees two lakhs eighty five thousand) was approved as fee for the Quantum as support service agency. The resolution passed by the CoC did not disclose any name other than Quantum as opposed to several names given as name of support services personnel in exhibit-B attached to the minutes of 1<sup>st</sup> CoC meeting and also as disclosed in the emails sent to the CoC member before 2<sup>nd</sup> CoC meeting.

The DC notes the disclosures made by Mr. Vikas Prakash Gupta in Form CIRP 2 filed before the Board and Form III submitted to the IPA where he stated that the RP fees included fee for the support service. The said disclosure is not in accordance with the resolution passed by the CoC where the fees for RP and Quantum was approved separately. Further, Mr. Vikas Prakash Gupta could not show whether the CoC modified the resolution for fees approved in the 2<sup>nd</sup> CoC meeting. Mr. Vikas Prakash Gupta contended that minutes of the 15<sup>th</sup> CoC meeting disclosed the list of persons who were part of the RP's internal support team and who did not draw any direct fees from the CIRP and therefore, there was no misrepresentation to the CoC regarding the composition of the RP support team. On perusal of the minutes of the 15<sup>th</sup> CoC, the DC notes that the minutes mentioned the names of the persons who attended the 15<sup>th</sup> CoC meeting and the persons being paid by him have been mentioned as the RP support team. However, there is no resolution which was moved for making a change or even an explicit information being given to the CoC that the RP would not be employing the services of Quantum as resolved and approved in the 2<sup>nd</sup> CoC meeting and Mr. Vikas Prakash Gupta would instead be employing the persons for giving support services directly. Hence, the act of Mr. Vikas Prakash Gupta of drawing the whole fees to himself is not correct in the absence of change in decision taken by CoC in the 2<sup>nd</sup> CoC meeting.

2.3.8 The DC also notes the statement of fees of support services as provided by Mr. Vikas Prakash Gupta as follows:

	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>Total</b>
Particulars	Support Fees	Support Fees	Support Fees	Support Fees
1) Piyush Jani	9,31,755	7,26,500	9,22,500	25,80,755
2) Pooja Ojha	2,25,000	8,25,000	1,50,000	12,00,000
3) Sidharth Gupta	3,24,504	7,80,000	5,74,382	16,78,886
4) BackOffice Support Staff	13,89,565			13,89,565
5) Ashish Gohil		3,40,645	5,40,000	8,80,645
6) Accountsmann & Co	2,63,700	3,00,000	1,50,000	7,13,700
7) Mrunalini Damle		3,55,833	4,50,000	8,05,833
8) Ramesh Kumar & Associates	1,40,000	-		1,40,000
9) Sunil Kumar Dixit	-	1,00,000		1,00,000
10) Dipty Ranjan Mishra	1,44,000			1,44,000
11) ROC Sunita	23,000			23,000
<b>Total</b>	<b>34,41,524</b>	<b>34,27,978</b>	<b>27,86,882</b>	<b>96,56,384</b>

The DC notes that the above statement does not provide any fee being paid to Quantum. Further, there are several persons who have been employed and paid but whose names do not appear in Exhibit-B attached to the minutes of the 1<sup>st</sup> CoC meeting. Further, there are several names in Exhibit-B which do not find place in the names of persons employed and paid by Mr. Vikas Prakash Gupta. Thus, proper disclosure has not been made to the CoC and the IPA.

2.3.9 The DC observes that the submission of Mr. Vikas Prakash Gupta that the fees taken by him for the support service given by him for the CD was towards his internal team and does not require any approval from the CoC, is not tenable. The implication of the submission of Mr. Vikas Prakash Gupta is that fees of Rs.4.50 lakh (Rupees four lakh fifty thousand) were fees of the RP, a portion of which can be distributed to his internal team. However, the resolution approved by the CoC has only approved fee of Rs.1.65 lakh (Rupees one lakh sixty five thousand) for Mr. Vikas Gupta while separate fees of Rs.2.85 lakh (Rupees two lakh eighty five thousand) had been approved for support services to be provided by Quantum.

2.3.10 Paragraph 2 of the Circular issued by IBBI dated 16.01.2018 states as under:

*“2. The Code of Conduct for Insolvency Professionals under the IBBI (Insolvency Professionals) Regulations, 2016 require that an insolvency professional must provide services for remuneration which is charged in a transparent manner, and is a reasonable reflection of the work necessarily and properly undertaken. He shall not accept any fees or charges other than those which are disclosed to and approved by the persons fixing his remuneration.”*

However, in this case Mr. Vikas Prakash Gupta accepted fees which was due to be paid to the Quantum thus violating the above Circular.

2.3.11 Paragraph 4 of the Circular issued by IBBI, dated 16.01.2018 states as under:

*4. Similarly, any other professional appointed by an insolvency professional shall raise bills / invoices in his / its (such as registered valuer) name towards such fees, and such fees shall be paid to his / its bank account.”*

So, in this case Quantum should have raised the bill to the CD and the payment should have been made directly to Quantum. However, the bill has been raised by Mr. Vikas Prakash Gupta and payment has been received by him, thus violating the above Circular.

2.3.12 Subsequently Circular dated 16.01.2018 was subsumed in the Code of Conduct of the IP Regulations by way of following clauses The relevant clauses of the Code of Conduct is as follows:

*“25C. An insolvency professional shall ensure that the insolvency professional entity or the professional engaged by it raises bills or invoices in their own name towards their fees, and such fees shall be paid to them through banking channel.”* (inserted on 04.06.2022)

...

*“26A. An insolvency professional shall not accept /share any fees or charges from any professional and/or support service provider who are appointed under the processes.”*  
(inserted on 13.09.2022)

- 2.3.13 The transfer of fee by Mr. Vikas Prakash Gupta was extended over the financial year 2020-21 to 2022-23. Hence the contravention will be covered initially by the circular dated 16.01.2018 and subsequently by Clauses 25C and 26A of the Code of Conduct.
- 2.3.14 With regards to the submission of Mr. Vikas Prakash Gupta that the same issue, in the complaint was examined the IPA and no irregularity was found by the IPA in the payment process, the DC perused the grievance closure of the IIP-ICAI dated 25.07.2023 and found that the following was stated in the report *“the contentions of the complainant are merely a statement without adducing any documentary evidence in support. Further GRC observed that no specific allegation has been made by the complainant against the conduct of the respondent.”* Thus, the grievance was closed because no allegation was made and no evidence was there to substantiate statements in the complaint. Thus, the submission of Mr. Vikas Prakash Gupta that IPA did not find any irregularities in payment process does not seem to be correct. Moreover, the allegations made in the SCN is with regards to taking fees in defiance to the decision of the CoC and the Circular of the Board.
- 2.3.15 In terms of the approval granted by the CoC, Quantum is a separate service provider. Hence it cannot be said to be the internal team of Mr. Vikas Gupta. The act of drawing the support services fee approved for Quantum in his own name is not in accordance with the resolution passed by the CoC where the fees for RP and Quantum were approved separately. Further, Mr. Vikas Prakash Gupta could not show whether the CoC modified the approval of fees granted in the 2<sup>nd</sup> CoC meeting. Since, the CoC had granted approval for appointment of Quantum for the support services, the fee which were due to Quantum should not have been taken by Mr. Vikas Gupta, in his account unless resolution approved in 2<sup>nd</sup> CoC meeting was modified by the CoC. Hence, the act of Mr. Vikas Prakash Gupta of drawing the whole fees to himself is in contravention of the approval granted by the CoC and the Circular of the IBBI.

### **3. Order.**

- 3.1. In view of the foregoing discussion, the DC in exercise of the powers conferred under section 220 of the Code read with Regulation 13 of the IBBI (Inspection and Investigation) Regulations, 2017 hereby suspends the registration of Mr. Vikas Prakash Gupta (Registration No. IBBI/IPA-001/IP-P00501/2017-2018/10889) for a period of one year.
- 3.2. This Order shall come into force on expiry of 30 days from the date of its issue.
- 3.3. A copy of this order shall be forwarded to the Indian Institute of Insolvency Professionals of ICAI where Mr. Vikas Prakash Gupta is enrolled as a member.
- 3.4. A copy of this order shall be sent to the CoC/ Stakeholder Consultation Committee (SCC) of all the Corporate Debtors in which Mr. Vikas Prakash Gupta provides his services, if any. The CoC/SCC may decide whether to continue his services or not. In case the CoC/SCC

decide to discontinue his services, the CoC/SCC may file an appropriate application before the AA.

3.5. A copy of this order shall also be forwarded to the Registrar of the Principal Bench of the National Company Law Tribunal, New Delhi, for information.

3.6. Accordingly, the show cause notice is disposed of.

Sd/-  
**(Sandip Garg)**  
**Whole Time Member**  
Insolvency and Bankruptcy Board of India

Sd/-  
**(Jayanti Prasad)**  
**Whole Time Member**  
Insolvency and Bankruptcy Board of India

Dated: 25 April 2025

Place: New Delhi