IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH – II, CHENNAI
IA /IBC (LIQ) / 10 (CHE) / 2025
IN
CP(IB) / 214 (CHE) / 2023

(Under Section 33(2) r/w Section 34 of Insolvency & Bankruptcy Code, 2016 along with IBBI (Liquidation Process) Regulations, 2016)

Mr. Rosita Fernando,
Resolution Professional of Expertus Infotech Private Limited,
Plot No.245, 11th Street, Kothari Nagar, Ramapuram,
Chennai, Tamil Nadu - 600 089.

… Applicant

In the matter of

Expertus Infotech Private Limited

… Corporate Debtor

*Order Pronounced on **13th August 2025***

CORAM

Shri JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)
Shri RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)

Present:

For Applicant/ RP : Clara Hepsiba S & Prashanth P, Advocates.

ORDER

(Heard through video conferencing)

The Present application has been filed under Section 33 & 34 of the Insolvency & Bankruptcy code, 2016 (herein after termed as “the Code”) by *Rosita Fernando, RP of* ***Expertus Infotech Private Limited,*** i.e. the Corporate Debtor (hereinafter referred as “CD”) seeking following reliefs hereby,

a) *That this Hon'ble Adjudicating Authority may be pleased to order Liquidation of the Corporate Debtor, M/s. Expertus Infotech Pvt. Ltd;*
b) *That this Hon'ble Adjudicating Authority may be pleased to pass an order that the Resolution Professional Rosita Fernando having IBBI Regn No. IBBI/1PA-003/1CA1-N-00452/2024-2025/14405, be appointed as the Liquidator of the Corporate Debtor; and*
c) *To pass such other orders or further orders which may be deemed to be fit and proper in the interest of justice.*

2. It is stated that, Corporate Debtor is registered at RoC, Chennai and involved in Software publishing, Consultancy and Supply.

3. The corporate debtor, was admitted to Corporate Insolvency Resolution Process, (hereinafter referred as "CIRP") vide an order dated 20.12.2024 passed by this Adjudicating Authority and applicant herein was appointed as the Interim Resolution Professional ("IRP") of the CD.

4. It is stated that, Public Announcement was issued on Business Standard and Dinamani (Tamil) on 24.12.2024 and fixed last date for receiving claims as 04.01.2025.

5. It is stated that, 2 claims from Operational creditors was first received. No claims from any other creditors including financial creditors was received and IRP therefore constituted the CoC only with the said Operational Creditors.

6. It is stated that, even after that, a new claim from EPFO was received on 17.01.2025 and their claim was admitted on 19.01.2025.

7. The 1st CoC Meeting was conducted on 24.01.2025 which resolved to confirm the IRP as RP.

8. It is stated that, another claim from Greater Chennai Corporation was received on 30.01.2025, post 1st CoC meeting. The revised Constitution of the CoC with the admitted claim amounts is as follows,

S. No.	***Creditor Details***	***Amount Admitted in Rs.***	***Voting %***
1.	*The Income Tax Officer, Corporate Ward 2(1), Chennai*	*1,22,91,305.00/-*	*27*
2.	*EPFO, Chennai*	*2,63,72,341.00/-*	*58*
3.	*Commissioner, Greater Chennai Corporation, Professional Tax*	*67,12,976.00/-*	*14*
4	*SPAB & C Velacherry, Chennai*	*2,51,880.00/-*	*1*
	Total	*4,56,28,496.00/-*	*100*

9. Applicant stated that, the CD was not operating, neither at the Registered address which is available in MCA records nor at the address provided in the Petition Copy.

10. It is stated that, the lastly the CD operated from the leased premises located on 7th and 5th Floors of Dowlath Towers, Kilpauk, Chennai between 30.07.2014 and 26.10.2016 and ceased its operations.

11. It is stated that, the resignation letters dated 31.03.2017, of the last worked 46 employees were submitted, however failed to file the same with EPFO for closure process.

12. It is stated that, CD has submitted the Audited Financial Statements from 31.03.20218 to 31.03.2024 which shows zero revenue.

13. It is stated that, applicant has reviewed the banking transactions of the company's accounts maintained with IDFC First Bank for possibility of avoidance transactions.

14. The 2nd CoC meeting was conducted on 21.02.2025, where the above submissions were discussed. It is stated that, as the CD is not a going concern and completely defunct. It has no assets other than the bank credit balance. There is no employee and no physical office or administrative infrastructure. The engagement of valuers to assess the assets of the CD in such circumstance would only incur costs and do not serve purpose.

15. It is stated that, the RP did not find any material substance for preparation of Preliminary Report, Preparation of an Information Memorandum or the Invitation of the Resolution Plan or the Publication of Expression of Interest in Form G.

16. It is stated that, during the 3rd CoC which held on 03.04.2024, the RP informed the CoC members about the amounts that has been recovered from the suspended directors of the CD.

17. It is stated that, the CoC in the said meeting on 03.04.2024, resolved to liquidate the CD and authorized the applicant to move necessary application.

18. Heard the Ld. Counsel appeared on behalf of the applicant and perused the records.

19. From the Compliance certificate (Form H) attached with the application the dates and events subsequent to initiation of CIRP of the CD is as follows,

S. No	*Date*	*Events*
1.	20.12.2024	Commencement of CIRP & appointment of IRP
2.	24.12.2024	Publication of FORM – A, in Business Standard (English) and Dinamani (Tamil).
3.	10.01.2025	Constitution of Committee of Creditors (CoC)
4.	24.01.2025	1st CoC meeting and recommendation of IRP as RP
5.	17.02.2025	Reconstitution of CoC and confirmation of IRP as RP vide IA(IBC)/236/(CHE)/2025

6.	21.02.2025	2nd CoC Meeting
7.	25.02.2025	Voting on agenda of Liquidation of the CD
8.	03.04.2025	3rd CoC Meeting
9.	10.04.2025	Filing the present application praying Liquidation of the CD
10.	18.06.2025	Expiry of 180 days of CIRP

20. It is observed that, Form A was published on 24.12.2024 on Business Standard and Dinamani (Tamil).

21. It is observed the Reconstituted CoC as on 17.02.2025 pursuant to IA(IBC)/236/(CHE)/2025 is as follows,

S. No.	*Creditor Details*	*Amount Admitted in Rs.*	*Voting %*
1.	*The Income Tax Officer, Corporate Ward 2(1), Chennai*	*1,22,91,305.00/-*	*27*
2.	*EPFO, Chennai*	*2,63,72,341.00/-*	*58*
3.	*SPAB & C Velacherry, Chennai*	*2,51,880.00/-*	*1*
4.	*Commissioner, Greater Chennai Corporation, Professional Tax*	*67,12,976.00/-*	*14*
	Total	*4,56,28,496.00/-*	*100*

22. It is observed that, during the 2nd CoC meeting that held on 21.02.2025, CoC discussed the issues relating to transaction audit and analysis conducted by the RP for the immediate last two years prior to CIRP initiation. The findings of the RP is extracted as follows,

> The transactions during the last two years from 20-12-2022 to 20-12-2024 are regular.
>
> After holding Transaction Audit of the CD's accounts and scrutiny of its audited financial statements and other related documents and information collected from CD and its Banks, for two years prior to the date of CIRP initiation, RP has made the following findings in respect of CD's Assets:
>
> - CD was operating from a rented building, which it vacated in the year 2017 after cessation of activity in 2015-16. It did not have any land and building of its own.
>
> - CD's Fixed Assets consisted of computer systems and related equipment, two Vehicles (Cars) and Miscellaneous Fixed Assets such as Furniture & Fixture. As of 31st March 2023, the value of the gross block was Rs.3,39,59,608.25, and the WDV became NIL since 2020-21 on accumulated depreciation. The CD says that these assets were very old and scrapped and the scrap value was very low. In transaction audit and in the CD's account statement from ICICI Bank from 3rd Apr 2012 till 1st July 2019 the value of the transaction entry for sale of one car was found, but there were no entries for the other car and other fixed assets. Details of disposal and appropriation of value have been called for from CD, who has replied that these assets very old and scrapped. The RP has written back that it was not enough to say so. They have to give proof documents for the sale as scrap or for the present whereabouts of it. The CD has agreed to furnish the same.

- CD's bank account with ICICI Bank became dormant since 1st July 2019 with NIL credit balance. CD had opened a bank account with IDFC First Bank on 31st Aug 2021. On the CIRP start date, 20th Dec 2024, its Balance Sheet shows a bank credit balance of Rs. Rs.1,43,181. After drawal of Rs.1,25,000/- for part payment to the IRP, the present credit balance in this bank account is Rs.18,181/-. Details of bank account, if any, during the interval period from 2nd July 2019 to 30th Aug 2024, have been called for from the CD. The CD agreed to furnish the IDFC account details for the period.

- Over two years prior to the CIRP start date, CD has written off a sum of Rs.8.40 Lac due from its Director, viz, Mr Srinivas Krishnamurthi. He is now living in USA as a citizen. An attested copy of Form 1040-NR, U.S. Non-Resident Alien Income Tax Return or any other Form of Income Tax filed for his resident status by him for last three tax years, or an Affidavit sworn in by him, declaring his Assets in India and elsewhere as on 20th Dec 2022 and at present have been called for from CD.

- CD had made investments in a subsidiary Expertus Infrastructure Private Limited and another allied concern Expertus HR and had, over two years prior to the CIRP start date, written off those investments, as the depreciated value had come to NIL and as those concerns are defunct about ten years prior to CIRP start date. Audited BSPL of Expertus Infrastructure Private Limited were verified by RP for their financial health during the relevant periods. It is also an inactive and defunct company. It is informed by the Company that Expertus HR became defunct 10 years back and no balance sheet exists. For another concern, namely, Expertus Amsphere, in which CD had invested Rs.49,900/-, the Company informs that the Company was never incorporated.

23. Apart from the transaction audit, the CoC also discussed upon written off amounts of Receivables in 2016 as follows,

> In its application for insolvency under Sec 10, the Company had filed an Affidavit before the NCLT stating that it had reached the present position because of the failure of its single client, M/s Expertus Inc which did not pay the receivables since 2015. Eventually the agreement between Expertus Inc and the CD was terminated in 2019. CD could not find any other customers and had to close down the business. The details in this regard were called for. The CD produced the Termination Agreement executed between it and Expertus Inc, but not the B/S of 2016 of Expertus Inc onwards. Later, on insistence from RP, the audited Balance Sheet of Expertus Inc, USA was also produced for the FY 2022 and 2023.
>
> The audited balance Sheet of 2016 of CD (Expertus Infotech Private Limited (EIPL) revealed that:
>
> a) In Note 8 of Report on Financial Statements of 2016 (signed in 2019), the Auditors had pointed out that the Company had not recognized revenues amounting to to Rs.14,47,72,622/- due from its client, Expertus Inc of USA, instead of recognizing the amount as revenue and writing off the uncollectable receivables. It is contravention of the provisions of the RBI Master Circulars on Forex Trade and Sec 92F(ii) of the Income Tax Act.
>
> b) In Note 10(a), the Auditors have remarked that the Company had written off receivables to the extent of Rs.8,54,17,599/- due from Expertus Inc and no approval of RBI was obtained for it.
>
> c) The Termination Agreement dated 29th July 2019 between CD and the overseas buyer Expertus Inc states that the buyer had a setback in business which adversely impacted its ability to avail and pay for services from CD and both agreed to a One-Time Settlement of Rs.2.25 Crores.

The Company has replied that:

The core issue remains that the revenue was never realized. The alternative to not recognizing this revenue would have been to classify it as a write-off, which, as you can imagine, would have resulted in an extraordinarily large write-off amount — approximately ₹23 crore. The fundamental reality is that since the funds were never received, it becomes a matter of accounting treatment — whether as non-recognition or as a write-off. Given that this occurred within the same financial year, and as per accounting principles, revenue that is definitively uncollectible need not be recognized, it was appropriately not accounted for as revenue.

This, however, does not apply to ₹8,54,17,599/-, which pertains to prior years. As it relates to past periods, it was required to be written off rather than classified under non-recognition.

The financial distress faced by the organization was so severe that it resulted in the departure of the entire workforce. We have already shared copies of employee resignation letters to confirm this. With no available funds and no personnel to manage the process, it became increasingly difficult to follow up on procedural requirements. While the intent was always to complete these formalities in due course, the lack of resources made it impossible to do so.

View of Resolution Professional:

To a query by Mr. Sobhan Padmanabhan as to whether the liabilities had been crystallised in the Termination Agreement, it was informed by the RP that only the One Time Settlement of Rs 2.25 Crores was mentioned in the Termination Agreement and no other liabilities were mentioned.

The RP informed that Balance Sheets of Expertus Inc for 2022 and 2023 have been produced. It does not show any activity and it also shows losses. 100% voting rights of Expertus Inc is with Mr Ramesh Ramani and Mrs Mohana Radhakrishnan who are also the only Directors of EIPL.

The writeoff has happened in 2016, nine years ago. This falls outside the CIRP period. This may not be classified as fraud as it is mentioned by the Statutory Auditor in the Balance Sheet and it is in the public domain for the last so many years. The fact that the Company has not obtained RBI approval is a default and cannot be classified as Fraud and it is to be appropriately dealt with by the Govt authories concerned.

It is only brought to the attention of the CoC since the write off was mentioned in the Application by the CD.

The CoC members noted the same.

24. It is seen that, Resolution to Liquidate the Corporate Debtor was passed with 100% voting by the CoC and the voting results are extracted hereunder,

	Voting %	27%	58%	14%	1%	100%
S.No	Resolutions	Income Tax	EPFO	GCC	SPAB&Co	Total
1	Resolved that As per Clause 1 and 2 of schedule 2 to the CIRP Regulations, a minimum fee of Rs 1 lac per month is hereby fixed as fee to the RP, Ms Rosita Fernando from date of appointment as interim resolution professional i.e. 20-12-2024 and till the time of completion of the process is hereby approved and ratified.	Declined	Assent*	Assent*	Assent	73%
2	Resolved to liquidate the Corporate Debtor M/s Expertus Infotech Private Limited under Explanation to Sec 33(2) of the IBC 2016 is hereby approved.	Assent	Assent	Assent	Assent	100%

*Both EPFO and GCC have specifically stated that they will not bear the cost towards the above fees.

Resolution No 1

As per Sec 21 (8) of the IBC 2016, " save as provided in this code, all decisions of the committee of creditors shall be taken by a vote of not less than 51%, of the voting share of the financial creditors or COC as applicable.

This is approved by 73% of the COC. Hence passed

Resolution No 2

Where the resolution professional, at any time during the corporate insolvency resolution process but before confirmation of resolution plan, intimates the AA of the decision of the CoC (approved by not less than 66 percent of the voting share) to liquidate the Corporate Debtor, the AA shall pass a liquidation order as referred to in sub clauses (i) and (ii) and (iii) of clause (b) of sub section (1)

This is approved by 100% of the COC. Hence passed

Please take the approvals of the COC on record.

25. Further it is noted that, certain amount of money has been brought back to the Company's account from the Suspended director. The same was discussed during the 3rd CoC meeting dated 03.04.2025 and the relevant extracts is hereunder,

Agenda 2: To take note of the funds brought in by the suspended Directors as advised by the Resolution Professional

The RP recalled that during the last CoC meeting the details of the disposal and appropriation of value for one car were called for from CD, who replied that the car was very old and scrapped. On persistent enquiry, the Company produced Form 29 of 13-09-2021 for transfer of ownership without any consideration to one Mr V Gokul, S/o Venkataramani, in respect of the said car, which is a Wagon R. The Company was advised to bring back an amount of Rs.60,000/-(approximate value of the car in 2021, in lieu of the car) to its Current Account with Bank to avoid classifying the transaction as fraudulent. The Suspended Directors have wired the amount of Rs.60,000/- to the Current Account of the Company with the Bank on 20-03-2025.

Further, during the last CoC meeting, it was stated that the CD has written off a sum of Rs.8.40 Lac due from its Director, viz, Mr Srinivas Krishnamurthi. He is now living in USA as a citizen. This writeoff is appearing in the Balance Sheet of the Company as on 31-03-2024. This has been recalled and the suspended Director has credited an amount of Rs.8.40 lac into the Current Account of the Company with Bank on 20-03-2025.

In the last CoC Meeting, the members were informed of the CD's disposal of the most of the computer systems and furniture and fixture of the Company by way of donations to schools etc. The RP pursued with the CD the availability of the remaining items of computer systems. The CD has scrapped these items and stored them in the residential premises of one of the Directors. The junked items were inspected by the RP and were got valued by a Valuer engaged by the RP. The Valuer has valued the market value of the items at Rs.49,600/- and the liquidation value at Rs.39,000/-.

26. The financial position of the CD as on the 03.04.2025 is as follows

The transactions during CIRP period in the Bank Account of the CD are given below:

(Rupees)

Balance as on 20-12-2024		18,181.19
20-03-2025	Remittance by Suspended Directors towards sale price of one car and repayment of loan amount from a suspended Director	8,98,366.44
21-03-2025	Bank charges + GST (deduction)	885.00
Balance as on date		**9,15,662.63**

27. It is seen that, the CoC in its 3rd meeting resolved to appoint the applicant herein as the Liquidator of the CD. However, this Tribunal vide order dated 09.05.2025 requested the CoC to reconsider the proposal for Liquidator in line with the IBBI circular. During the subsequent hearing on 30.06.2025, applicant by way of memo having SR No. 1532 dated 10.06.2025 submitted that, CoC on its 4th meeting dated 28.05.2025, resolved with 99% voting and proposed ***Mr. V. Duraisamy having IBBI Reg. No. IBBI/IPA-002/IP-N00609/2018-19/11862*** in the place of applicant RP for appointment as Liquidator for the CD.

28. It is clear from the submissions of the applicant RP that, the CD is not a going concern and do not have any valuable assets for proceeding towards inviting Resolution Plan. There were no financial claims and the CoC is completely constituted with Operational Creditors, where the major claimants are EPFO, IT Department and Greater Chennai Corporation.

29. The maximum period of 180 provided under IBC for completion of CIRP has been expired, and no extension of the CIRP was also prayed. Further, the CoC with 100% voting resolved to liquidate the Corporate Debtor as there is no assets or valuables in the CD and need for invitation of Resolution Plan did not arise. The resolution for Liquidation of the Corporate Debtor has been passed taking into consideration, the interest of the Corporate Debtor and all other stakeholders concerned. Therefore it is seen that, the CoC has directed the Resolution professional to file application for Liquidation of the Corporate Debtor.

30. It is seen that the Applicant/RP submitted FORM-H dated 24.04.2025 as per Regulation 39 (4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016. The same is placed at Page 44 - 48 of the application. As observed from Form-H, there is no PUFE applications pending in respect of the CD. The same is extracted hereunder,

15. Provide details of section 66 or avoidance application filed / pending.

Sl. No.	Type of Transaction	Date of Filing with Adjudicating Authority	Date of Order of the Adjudicating Authority	Brief of the Order
1	Preferential transactions under section 43	NOT APPLICABLE		
2	Undervalued transactions under section 45			
3	Extortionate credit transactions under section 50			
4	Fraudulent transactions under section 66			

31. However, from the Minutes of the 2nd CoC meeting dated 21.02.2025, it is seen that, Income Tax Department has initiated prosecution under Section 276 CC by EOCC vide 93/2014 which is pending before ACMM (EO-II) for the AY 2013 – 20214. It is understood that, the said prosecution is pending for compounding and committee is yet to be formed for compounding process. It is viewed that, the Liquidation of the CD can be continued and said proceedings will have no interference.

32. From the above facts and circumstances, considering the decision taken by the CoC of the Corporate Debtor, this Adjudicating Authority deems it fit to order Liquidation of the Corporate Debtor. Accordingly, we order ***Liquidation*** of the Corporate Debtor i.e. ***Expertus Infotech Private Limited***.

33. Further, after verifying the disciplinary status from the IBBI portal, we appoint ***Mr. V. Duraisamy*** having ***Reg. No. IBBI/IPA-002/IP-N00609/2018-19/11862,*** email id: karurdurai.samy@gmail.com, Contact No. 99620 59300 with valid ***AFA till*** 31-12-2025 as the Liquidator for the Corporate Debtor.

34. The Liquidator ***Mr. V. Duraisamy*** is directed to carry out the liquidation process subject to the following terms/directions: -

a. *The Liquidator shall strictly act in accordance with the provisions of IBC, 2016 and the attendant Rules and Regulations including Insolvency and Bankruptcy (Liquidation Process) Regulations, 2017 as amended up to date enjoined upon him.*
b. *The Liquidator shall issue the public announcement that the Corporate Debtor is in liquidation. In relation to officers/ employees and workers of the Corporate Debtor, taking into consideration Section 33(7) of IBC, 2016, this order shall be deemed to be a notice of discharge.*
c. *The Liquidator shall investigate the financial affairs of the Corporate Debtor particularly, in relation to preferential transactions/ undervalued transactions and such other like transactions including fraudulent preferences and file a suitable application before this Adjudicating Authority.*
d. *The Registry is directed to communicate this order to the Registrar of Companies, Chennai and the Insolvency and Bankruptcy Board of India;*
e. *In terms of section 178 of the Income Tax Act, 1961, the Liquidator shall give necessary intimation to the Income Tax Department. In relation to other fiscal*

and regulatory authorities which govern the Corporate Debtor, the Liquidator shall also duly intimate about the order of liquidation.

f. *The order of Moratorium passed under Section 14 of the Insolvency and Bankruptcy Code, 2016 shall cease to have its effect and a fresh Moratorium under Section 33(5) of the Insolvency and Bankruptcy Code shall commence.*

g. *The Liquidator is directed to proceed with the process of liquidation in a manner laid down in Chapter III of Part II of the Insolvency and Bankruptcy Code, 2016.*

h. *The Liquidator is directed to investigate the financial affairs of the Corporate Debtor in terms of the provisions of Section – 35(1) of IBC, 2016 read with relevant rules and regulations and also file its response for disposal of any pending Company Applications during the process of liquidation.*

i. *The Liquidator shall submit individual Preliminary report to this Tribunal within 75 (seventy-five) days from the liquidation commencement date as per Regulation 13 of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016. Further such other or further reports as are required to be filed under the relevant Regulations, in addition, shall also be duly filed by him with this Adjudicating Authority.*

j. *Copy of this order be sent to the financial creditors, Corporate Debtor and the Liquidator for taking necessary steps and for extending the necessary cooperation in relation to the Liquidation process of the Corporate Debtor.*

35. With the above directions, ***IA(IBC)(LIQ)/ 10(CHE)/ 2025 in CP(IB)/ 214(CHE)/ 2023*** stands ***allowed and disposed of***.

-Sd/-	**-Sd/-**
RAVICHANDRAN RAMASAMY	**JYOTI KUMAR TRIPATHI**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**