

**IN THE NATIONAL COMPANY LAW TRIBUNAL: NEW DELHI  
PRINCIPAL BENCH**

**Interlocutory Application No. 4012/2020**

**In**

**Company Petition No. (IB)-409(PB)/2017**

**Order under Section 7 of Insolvency & Bankruptcy Code,  
2016**

**In the matter of:**

Mr. Vikram Bajaj ... Applicant  
(Resolution Professional for Net 4 India Ltd.)

**And**

**In the matter of:**

Edelweiss Asset Reconstruction Co. Ltd. Applicant/petitioners

**Vs**

Net 4 India Ltd. Respondent

**Order delivered on 25.09.2020**

**Coram:**

**SHRI B.S.V. PRAKASH KUMAR  
HON'BLE ACTG. PRESIDENT**

**SH. HEMANT KUMAR SARANGI  
HON'BLE MEMBER (TECHNICAL)**

**PRESENT:**

For the RP	Ms. Pooja Mahajan, Ms. Mohana Nijwahan, Mr. Gaurav Arora, Advs.
For the applicant	Ms. Pallavi Mishra, Adv. for Resolution Applicant Ms. Shivangi Verma, Adv. for Edelweiss
For the respondent	Mr. Sumit Gupta, Adv. for R-3 Mr. Prashant Mehta, Mr. Rakesh, Advs. for R-1

## **ORDER**

1. It is an application filed by the RP seeking urgent orders as well as expedite hearing in other applications. The gist of the grievance is various domain Registrants complaining that they have not been getting services from the corporate debtor, likewise Registries making calls that they would not revive domain registrations and cancel the license of the Corporate Debtor unless dues are paid, since the corporate debtor has remained interface between Registrants and Registries, unless the respondents are immediately directed to clear the dues of the Registries and provide proper services to the Registrants, the Corporate Debtor could not survive and if solution is not provided, many domains providing services to the public at large will come to stand still.

2. At the outset, RP Counsel Ms. Pooja Mahajan has argued that R1/Promoter-Director Mr. Jasjit Singh Sawhney on 30.07.2020 gave an assurance to this Bench that he would comply with all the grievances and will not let any issue come before this Bench. But subsequent to such assurance, about 200 Registrants complained to the RP that the Corporate Debtor has failed to provide services as agreed in between them.

3. When this Bench has asked this Counsel as to why these Registrants were asking the RP to resolve their issues when services are provided by some other company namely Track Online India Private Limited, the RP has expressed her predicament that originally this Corporate Debtor was an Accredited Registrar taking accreditations from Domain Name Registries and providing services to the Registrants. Earlier Net 4 Network Services Limited (Net 4 Network) was wholly owned subsidiary of the Corporate Debtor. She submits this Promoter director (R1) is in the Corporate Debtor and other companies. The RP discovered that the entire business and income of the Corporate Debtor has been diverted to Net 4 Network, thereafter 70% shareholding of the Corporate Debtor in Net4 Network was surreptitiously transferred to a related company called Track Online India Private Limited, which is another company of the same Promoter-Director and thereafter the business of the Corporate Debtor was on 20.10.2016 transferred to Net4 Network (once upon a time wholly owned subsidiary of the Corporate Debtor company) through Master Reseller Agreement (MSA), which has made Net4 Network "Master Reseller", therefore as on the date the Corporate Debtor has remained for name sake because its shareholding in Net4 Network was transferred leaving



no control over Net4 Network and then strategically business as well.

4. The net result is, the contracts with Registries and Registrants remained in the name of the Corporate Debtor but the business of the Corporate Debtor has slipped into the hands of the other companies of the Promoter-Director/Jasjit Singh Sawhney.

5. In this situation, the domain name Registries asking for their fees as per the terms of the contract of the Corporate Debtor entered with them. On the other hand, whenever work has not been done to the Registrants, they have been either sending complaints to the Corporate Debtor or directly to the domain name Registries. Though the corporate Debtor has contracts in its name, not even single pie has come to this Corporate Debtor after admission of the company under IBC, despite there is so called agreement in between the Corporate Debtor and Net4 Network indicating 25% of the revenue from the business shall be paid to the Corporate Debtor.

6. The RP Counsel has also mentioned that this business is not limited to providing services to some private agencies, it is in effect providing services to the public directly, if any delays happened in providing services, it is not about some company losing or gaining,

it is directly affecting the daily life of public of India, therefore the RP has filed this application hoping for a solution before hearing on Avoidance Application primarily assailing the transfer of shareholding of the Corporate Debtor to another Promoter Company namely Track Online India Private Limited and also about wholesale transfer of the business of the Corporate Debtor. She says unless that application is decided, real value of the Company will not come out. Net4 India Limited (CD), in the words of the RP, is made a dummy company after its shareholding in Net4 Network is taken out and its business was transferred to Net4 Network sometime before initiation of CIRP.

7. On elaborately hearing over the application from the Petitioner side, when the same is put to the Promoter-Director counsel Mr. Prashant Mehta and Mr. Rakesh Kumar, they categorically stated, as to the issues of the Registrants, the Respondents have been complying all along and they would comply with the pending issues as well and report to this Bench by 01.10.2020.

8. But as to the dues payable to Domain Name Registries such as Public Information Registry, ICM Registry, ICANN, and etc., they will report within five minutes after taking instructions from the

Promoter-Director of all these companies namely Net4 India Limited, Net 4 Network, Net 4 India-Domain Registrar Company and Trak Online India Private Limited.

9. Accordingly, we have passed over the matter hoping, this promoter director would realize the urgency involved in the issues and raise to the occasion. In view thereof, this matter was passed over to get instructions from the Promoter-Director with regard to the second issue.

10. To the second issue, the Promoter-Director counsel has come back after pass over with a statement that the Promoter-Director Mr. Jasjit Singh Sawhney is not in a position to clear the following dues:

USD 14082 to ICM Registry Fee

USD 8185 to Public Information Registry

USD 18,823.54 to ICANN

11. But the Promoter Director Counsel has simultaneously made another statement, in case three weeks' time is given, he would be in a position to reconcile after verifying the same with the said organisations mentioned above.

12. On hearing the submissions of the Promoter counsel over the second issue, we understand now the burning issue is, the services



have not been being properly provided to various registrants. From other side, if dues are not paid, Domain Registries will not revive agreements with the Corporate Debtor.

13. In this tricky situation, if this Promoter-Director takes three weeks, then various registrants providing services to the public including Government Agencies will suffer immensely.

14. In view thereof, if at all, any reconciliation that the Promoter-Director requires, he has to get it done within two days hereof and report to this Bench by 01.10.2020.

15. Tomorrow this Promoter-Director cannot come before this Bench saying that he could not get the statements from the said Registries such as Public Information Registry, ICANN, ICM, etc., therefore he could not pay. It is the look out of the Promoter-Director, who has taken everything upon himself and running the show single headedly without paying money to the Corporate Debtor as well as Registries. It is the bounden duty of him to clear the dues, therefore he shall pay the entire dues charged with a rider, in case any excess payment is made, that shall be refunded to him.

16. In view of the gravity in this case, we direct him to resolve this issue by 01.10.2020.

17. Accordingly, IA-4012/2020 is hereby **disposed of**.



**(B.S.V PRAKASH KUMAR)**  
**ACTG. PRESIDENT**



**(HEMANT KUMAR SARANGI)**  
**MEMBER (TECHNICAL)**

25.09.2020  
Aarti Makker