

**IN THE NATIONAL COMPANY LAW TRIBUNAL, NEW DELHI**

**PRINCIPAL BENCH**

**C.P. No. 114(ND)/2017**

**IN THE MATTER OF:**

**Heng Zhang & Anr.**

**.....Petitioners**

**v.**

**Huiyuda Technology India Pvt. Ltd. & Ors.**

**.....Respondents**

**SECTION : UNDER SECTION 241(1)-242(4)**

**Order delivered on 29.08.2017**

**Coram:**

**CHIEF JUSTICE M.M. KUMAR**

**Hon'ble President**

**Deepa Krishan**

**Hon'ble Member (T)**

**For the Petitioner(s) : Mr. Rana Ranjit Singh, Mr. Vivek Kumar Singh,  
Mr. Venamra Mahaseth & Mr. Ravish Singh, Advocates**

**For the Respondent(s) : Mr. U.K. Singhal, Advocate  
Mr. Akshit Gupta & Ms. Neha Lakhwara, Company  
Secretaries**

**ORDER**

On 07.06.2017 this petition came up for hearing and detailed interim order was passed. The respondent has circulated an order for convening the meeting on 09.06.2017 with a number of items including the item to remove Mr. Heng Zhang and Mr. Yinhui Pan as Directors of the Company. In the order, we also noticed the terms and conditions of the MOU dated 28.07.2016 which provide for convening of the Board Meeting only if 100% attendance is available. It was also noticed that the signing power jointly by the Petitioner Group and Respondent Nos. 2 & 3 Group could not work out as the petitioners had remained absent from India and at that stage the absence was for the last 2 ½ months. In the

aforesaid facts and circumstances the convening of the meeting on 09.06.2017 was stayed and signing power was granted to the petitioner No. 2 Mr. Y Pan, a Director in the respondent No. 1. It was also directed that Mr. Y Pan shall remain present to attend any Board Meeting as well as to sign cheques. All the cheques for signature were to be sent at House No. K-2062, C.R. Park, New Delhi and the following time line was ordered in the order:-

“If Petitioner No. 2 find the signing of cheque in the larger interest of the company, then he may proceed to sign within 48 hours. If there is any objection to sign any cheque then it shall be returned within 48 hours to Respondent No. 1 after recording reasons for doing so. The matter shall be raised before us on the next date of hearing.”

It is not disputed that the timeline of 48 hours indicated in the aforesaid order has not been adhered to. According to the petitioners' own showing the first set of cheques were sent to petitioner No. 2 on 17.06.2017 which were returned by him on 22.06.2017. The second set of cheques were sent on 08.07.2017 which were returned on 17.07.2017 by signing the majority of cheques. The third set of cheques were issued on 11.08.2017 which were returned on 28.08.2017. It clearly shows that the order dated 07.06.2017 has been flagrantly violated. The fundamental reason for aforesaid violation is that Mr. Y Pan has not been living at the address furnished to the Court on 07.06.2017 and he left the country. He is sending the cheques from some location in China. It is in the aforesaid

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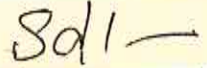
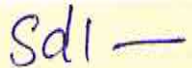
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contd.

circumstances that the respondent has filed the present application with a prayer to vacate the stay as the day to day affairs of the company with regard to signing of cheques are adversely effected.

We have heard learned counsel for the parties yesterday as well as today at length. There is no possibility to procure the presence of Mr. Y Pan who is stated to have left the country on account of some advisory issued by the Embassy of the China in New Delhi. If that be so, then the day to day affairs of the company cannot be left at the mercy of Mr. Y Pan. Accordingly, we modify the order dated 07.06.2017 and allow the respondent to issue cheques so that the day to day business of the company does not suffer. We are compelled to follow this course because there is no assurance coming forward on behalf of Mr. Y Pan that he will return to India to run the affairs of the company and to participate in the Board Meeting. Accordingly, the order dated 07.06.2017 stands modified to that extent.

The rest of the stipulation in the order dated 07.06.2017 and any other direction issued later be strictly complied with.

Application stands disposed of.

  
(CHIEF JUSTICE M.M. KUMAR)  
PRESIDENT  
  
(DEÉPA KRISHAN)  
(MEMBER TECHNICAL)

29.08.2017  
Vineet