

NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH

CP No. 369 (ND) 2017

CORAM:

PRESENT: SH. S. K. MOHAPATRA
HON'BLE MEMBER(T)

SMT. INA MALHOTRA
HON'BLE MEMBER (J)

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING BEFORE NEW DELHI BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL ON 27.10.2017

NAME OF THE COMPANY: M/s Meidensha Corporation Vs. M/s Prime Meiden Ltd. & Ors
SECTION OF THE COMPANIES ACT: 241-242

S.NO.	NAME	DESIGNATION	REPRESENTATION	SIGNATURE
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For the Petitioner (s):	Mr. P.V. Kapur, Sr. Advocate Mr. Rohit Kochhar, Advocate Mr. Inder Raj Gill, Advocate Mr. Anuradha Sharma, Advocate Mr. Abhichal Prasad, Advocate Mr. Karan Malhotra, Advocate			
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For the Respondent (s):	Mr. Sandeep Sethi, Sr. Advocate with Mr. Manik Dogra, for Rs-2 to 7 Mr. Jaideep Gupta, Sr. Advocate for R-8 & 10 Mr. Abhinav Vashist, Sr. Advocate with Mr. Anurag Dayal, Advocate for R-13 to 18. Mr. Amit Mahajan, Advocate for R-11 & 12 Mr. Rohin Dubey, Advocate			
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ORDER

Time for filing reply to the main petition had been granted to the Respondents vide order dated 26th October, 2017.

2. The case has been taken up today on grounds of urgent interim relief pressed for by the Ld. Sr. Counsels appearing on behalf of the Petitioners.

3. Though several submissions have been made to resist the prayers made in the application, including that of filing of a defective affidavit, Ld. Senior Counsels for the Respondent oppose the grant of any interim relief on grounds

(Lekhraj Singh)



that no irreparable loss or injury would be caused till such time as at least their counter affidavits are on record.

4. The Petitioners are 60% shareholders in the Respondent company. As per admitted facts, the remaining 40% equity is also to be transferred in their favour in a phased manner over next four years. It is, therefore, their concern that the business of the Respondent company is not adversely affected on account of alleged wrong decisions. The Respondents had given a notice for convening a Board Meeting which has been shelved indefinitely. The Petitioner is aggrieved by the same as certain resolutions are required to be considered in the larger working interest of the company. It is alleged that one of the Respondents, who is a Non-Executive Director has been passing directions in excess of his jurisdiction which is hindering the smooth functioning of the company. Since the Petitioners, who are foreign nationals, have made huge investments, they are worried by the obstructions created. In fact, the correspondence addressed to the petitioner filed on record presents an ugly situation by use of unparliamentary language.

5. Upon hearing the Ld. Sr. Counsels appearing for both sides and given the facts of the case, we are of the opinion that it would be expedient to consider the interim prayer at this stage, notwithstanding that the Respondents' counter affidavits are yet to be filed. The paramount consideration is to ensure a proper functioning of the Respondent company. The Board of Directors are required to take necessary decisions which cannot be put off indefinitely. While adjourning the Board Meeting fixed for 26th October, 2017, no further date has been notified by the Respondent company. The Petitioners have therefore approached this Tribunal for necessary direction for convening the Board Meeting at the earliest, as resorting to the procedure under the Companies Act, 2017, would cause further delay.

6. During the course of the arguments, a consensus has now been arrived at between the parties, that the Respondent company would hold the Board Meeting on 12th November, 2017 at Hotel Hyatt Regency, Bhikaji Cama Place, New Delhi. The proposed Agenda be circulated. Keeping in view the acrimonious relations between the parties, it is felt expedient that an Observer

be appointed for the Board Meeting. Accordingly, Hon'ble Mr. Justice Manmohan Singh (Retd.) is appointed as an Observer. The Observer shall fix his own fees.

7. It is also directed that no impediment be created in the ingress and egress of the Directors, office bearers, employees, experts in any of the premises of the Respondent No.1 company.

8. To come up for final arguments on 1st December, 2017.

-Sd-

(S. K. Mohapatra)
Member (T)

-Sd-

(Ina Malhotra)
Member (J)