IN THE SUPREME COURT OF BANGLADESH
HIGH COURT DIVISION
(STATUTORY ORIGINAL JURISDICTION)

Present:
Mr. Justice Md. Toufiq Inam.

COMPANY MATTER NO. 8 OF 2021.

IN THE MATTER OF:
An application under section 43 of the Companies Act, 1994.

AND

IN THE MATTER OF:

Mrs. Afroza Zaman and others.
------ Petitioners.
-VERSUS-
Alhaj Mohammad Rubiul Islam and others.
----- Respondents.

Mr. A.K.M. Badruddoza, Senior Advocate
----- For the Petitioners.

Mr. Md. Ruhul Quddus Kazal, Senior Advocate
----- For the Respondent Nos. 1-6.

Judgment Delivered On 05.07.2026.

Md. Toufiq Inam, J:

This application under Section 43 of the Companies Act, 1994 has been moved by the Petitioners seeking an order directing the rectification of the Share Register of the Company, **Baitul Industries Limited**, by deleting the names of Respondent Nos. 5 and 6 and restoring the shareholding and directorship structure as it allegedly stood on 15.11.2000.

After the death of the petitioner No. 1 her legal heirs were substituted as petitioner Nos. 1(a) and 1(b) in her place.

The case for the Petitioners, in short, is that the true management and proprietary layout of the Company was completely altered in the year 2000, and that the current entries in the Share Register are a product of systemic corporate fraud engineered by the Respondents. The Company, by way of a Special Resolution dated 30.10.2000, altered Articles 18, 20, and 35 of its Articles of Association, fixing the quorum for both Board and General Meetings at 2, the minimum number of Directors at 2, and the maximum at 6. It is further contended that on 15.11.2000, the Board of Directors approved the lawful transfer of the entire shareholding of Respondent Nos. 1 to 4, amounting to 1,050 shares, to the Petitioners and their predecessor-in-interest. Under this alleged transfer, Mr. Bijoy Kumar Kejriwal transferred 225 shares and Mrs. Lata Kejriwal transferred 225 shares to Ms. Sabrina Khandaker, while Mrs. Banu Islam transferred 300 shares to Mrs. Afroza Zaman, the predecessor of the petitioner Nos. 1(a) and 1(b) and Alhaj Mohammad Rabiul Islam transferred 300 shares to Late Al-Haj Kha. Rashiduzzaman.

The Petitioners state that the respective Transferors duly executed statutory instruments of share transfer in Form-117, which were accompanied by the original physical Share Certificates. The overleaf of these certificates explicitly bears the endorsements and counter-signatures of Alhaj Mohammad Rabiul Islam, acting in his capacity as the then-Managing Director, acknowledging the valid delivery of title. Consequent upon the said transfers, the Company submitted Form-XII dated 15.11.2000 to the Registrar of Joint Stock Companies and Firms, notifying the absolute cessation of directorship of Respondent Nos. 1 to 4, while Form-IX was submitted showing the consent of Petitioner No. 2 to act as a Director. Both forms were formally recorded by the RJSC on

04.06.2001, and on the same date, Late Al-Haj Kha. Rashiduzzaman was appointed as the Managing Director of the Company. The resulting shareholding position is stated to have stood settled showing Late Al-Haj Kha. Rashiduzzaman with 525 shares, Mrs. Afroza Zaman with 525 shares, and Ms. Sabrina Khandaker with 450 shares.

The Petitioners contend that Respondent Nos. 1 to 4 suppressed this total divestment and failed to file the statutory Annual Summaries of Share Capital in Schedule-X for nearly eleven years. Then, on 25.10.2011, the Respondents filed the outstanding Schedule-X returns for the years 2000 through 2011 collectively, fraudulently duplicating the pre-2000 structure under the unauthorized signatures of Respondent No. 1 as Managing Director and Respondent No. 2 as Director. Armed with these unauthorized filings, Respondent Nos. 1 to 4 purported to execute subsequent, illegal share transfers on 15.11.2011 and 17.11.2011 in favor of absolute strangers to the Company, specifically Md. Rakibul Islam and Md. Rashedul Islam, distributing 650 shares among them. This misrepresentation was carried forward in all successive Schedule-X returns from 2011 to 2019 to completely dilute the Petitioners' equity. The Petitioners assert that Late Al-Haj Kha. Rashiduzzaman actively managed the Company until his death on 05.02.2014, after which Respondent No. 1, an influential local figure and Chairman of the Kushtia Zilla Parishad, used his political clout to unlawfully occupy company assets and deprive the lawful shareholders of their rights.

Conversely, Mr. Md. Ruhul Quddus Kazal, the learned Senior Advocate for the Respondent Nos. 1-6, submits that the instant petition is a tissue of lies, filed through gross suppression of material facts and placement of fabricated documents. It is submitted that the Company was incorporated on 30.01.1998 bearing Registration No. C-17251, with an authorized and paid-up capital at inception consisting of 1,500 shares distributed among six original shareholders, with Alhaj Kh. Rashiduzzaman serving as Chairman and Alhaj Mohammad Rabiul Islam serving as Managing Director. He points out a fatal flaw in the Petitioners’ case, noting that they have failed to produce any Board Resolution from November 2000 approving the alleged share transfers. While the Petitioners annexed a Board Resolution dated 30.10.2000, that document strictly pertains to corporate quorums and contains zero references to any transfer of shares, whereas under company law, no transfer can be validated without clear board approval.

He contends that the Form-117 instruments put forward by the Petitioners are clumsy fabrications, because from inception, Alhaj Kh. Rashiduzzaman served as the Chairman. However, the Petitioners' disputed Form-117 shows him signing under the seal of Managing Director, an office he never held. The Respondents highlight that the Petitioners explicitly admitted in paragraph 20, of their Counter Supplementary Affidavit that Alhaj Kh. Rashiduzzaman used the Managing Director's seal despite being the Chairman, and Mr. Kazal submits that such unauthorized execution renders the transfer instruments an absolute nullity. To demolish the allegation that Respondent Nos. 1 to 4 became strangers to the Company in 2000, the Respondents have placed an extensive trail of external public and financial records showing the continuous management of Alhaj Mohammad Rabiul Islam as Managing Director, including a banking letter from IFIC Bank dated 28.03.2011 recognizing him as the active Managing Director, government land registry records confirming he bought corporate lands on behalf of the company as Managing Director, and assessment orders from the Deputy Commissioner of Taxes proving he continuously filed taxes for the Company as its Managing Director.

He further submits that statutory Form-XII filings show Alhaj Mohammad Rabiul Islam was formally re-appointed as Managing Director on 31.12.2014 and 31.12.2019. Crucially, these filings show that deceased Petitioner No. 1, Mrs. Afroza Zaman, was actively discharging her duties as an attending Director during those years. Having signed and acquiesced to these returns up to 2019 without objection, the Petitioners are legally estopped from challenging the company's structure now. Finally, the Respondents reveal that on 21.03.2013, the predecessors of the Petitioners, Mr. Kh. Rashiduzzaman and Mrs. Afroza Zaman, entered into a written agreement termed an *Angikarnama* with Alhaj Mohammad Rabiul Islam. Under this contract, the Petitioners' family explicitly agreed to sell their actual individual 30 percent stakes across three sister concerns, including the present Company, to him, and in return, he transferred a premium residential flat located at Bashundhara Residential Area, Block-E, Plot No. E-10, Unit No. G-4, Allotment No. AB 578 to Mrs. Afroza Zaman. The developer formally delivered possession to her after Alhaj Mohammad Rabiul Islam cleared all financial installments, and Mr. Kazal concludes that because the Petitioners' family accepted and enjoyed the real estate consideration for their shares in 2013, their present claim of owning 100 percent of the company since 2000 based on forged documents is a fraudulent abuse of the court process.

Having heard the learned Counsel for both sides at length, perused the pleadings, and carefully scrutinized the statutory returns, corporate records, and private agreements brought on record, this Court proceeds to determine the issues involved.

An application for the rectification of a Share Register under Section 43 of the Companies Act, 1994 is summary in nature. While this Court has the power to decide questions of title incident to a rectification, it must be satisfied that the clear weight of undisputed documentary evidence points to an entry being made or retained without sufficient cause. Where complex frauds or deeply conflicting title claims are asserted, the Court must examine the consistency of statutory compliance, the actual conduct of the parties over time, and unambiguous admissions.

Upon a comprehensive review of the case, the first core issue relates to the validity of the purported 15.11.2000 share transfers and Form-117 execution. The Petitioners’ case stands or falls on the assertion that a total transfer of 1,050 shares was executed and approved on 15.11.2000. Under company law, for a transfer of shares to be legally enforceable, it must be supported by a validly executed instrument of transfer in Form-117 and approved by a lawful resolution of the Board of Directors. On this foundational requirement, the Petitioners' case suffers from a fatal evidentiary and legal infirmity. Firstly, the Petitioners have failed to produce any Board Resolution from November 2000 approving the disputed transfers. The resolution dated 30.10.2000 relied upon by them relates exclusively to the alteration of Articles regarding corporate quorums and contains no entry or mention regarding the transfer of shares. Secondly, it is an admitted position that from the inception of the Company, Alhaj Kh. Rashiduzzaman was the Chairman and Alhaj Mohammad Rabiul Islam was the Managing Director. Strikingly, the disputed Form-117 instruments put forward by the

Petitioners bear the signature of Alhaj Kh. Rashiduzzaman under the seal of the Managing Director.

The Petitioners have explicitly admitted in their pleadings that Alhaj Kh. Rashiduzzaman utilized the Managing Director's seal despite holding the office of Chairman. It is a settled principle of corporate jurisprudence that an officer of a company cannot unauthorizedly assume the statutory title and seal of another designated organ of management. The Managing Director is the custodian of the operational executive authority of the Board. A Chairman, unless explicitly appointed as a Managing Director by a valid resolution, has no legal capacity to execute share transfer instruments using the Managing Director's seal. Such an execution is unauthorized, bad in law, and incapable of passing valid legal title.

The second issue involves the third-party and statutory verification of management continuity. The Petitioners contend that following the purported transfers in 2000, Respondent Nos. 1 to 4 ceased to be Directors and became total strangers to the corporate affairs of the Company. This assertion is robustly falsified by an overwhelming trail of independent third-party and statutory documents generated during the disputed period. The formal credit and management communications from IFIC Bank dated 28.03.2011 explicitly recognize Alhaj Mohammad Rabiul Islam as the active Managing Director of the Company. Furthermore, assessment records from the Deputy Commissioner of Taxes demonstrate that he consistently filed tax returns and discharged corporate tax liabilities in his capacity as Managing Director. Most importantly, the registered land title documents confirm that immovable properties were purchased for and on behalf of the

Company by Alhaj Mohammad Rabiul Islam acting as its Managing Director. It is legally impossible to accept that an individual who supposedly became a total stranger to the Company in the year 2000 could continuously execute land transactions, manage bank facilities, and interface with state revenue authorities as the chief executive officer of the entity for the subsequent two decades.

The third issue addresses the estoppel by conduct and acquiescence of Petitioner No. 1. The record reveals that Form-XII returns filed with the RJSC document the formal re-appointment of Alhaj Mohammad Rabiul Islam as Managing Director on 31.12.2014 and 31.12.2019. Crucially, these very same statutory filings record that deceased Petitioner No. 1, Mrs. Afroza Zaman, was actively discharging her duties as an attending Director of the Company. Petitioner No. 1 sat on the Board, participated in corporate governance, and acquiesced to the statutory filings showing Alhaj Mohammad Rabiul Islam as the Managing Director and Respondent Nos. 5 and 6 as shareholders up until 2019. Having maintained complete silence and actively participated in the management of the Company under this structure for nearly twenty years, the Petitioners are legally estopped under the doctrine of acquiescence from overnight challenging the long-standing, publicly filed shareholding position of the Company.

The fourth issue concerns the 2013 inter-partes agreement as a conclusive estoppel. The most critical piece of evidence that completely dismantles the credibility of the Petitioners' claim is the written agreement dated 21.03.2013. This agreement was executed between the predecessors of the Petitioners, Mr. Kh. Rashiduzzaman and Mrs. Afroza Zaman, and Alhaj Mohammad

Rabiul Islam as Respondent No. 1. Under its terms, the Petitioners' family explicitly agreed to sell their actual individual 30 percent stakes in three sister concerns, to Respondent No. 1. In direct consideration for this share transfer, Respondent No. 1 surrendered and transferred his premium residential flat in Bashundhara Residential Area to late Mrs. Afroza Zaman through the developer.

This transaction creates an insuperable legal barrier for the Petitioners on two distinct fronts. Under the principle of admission, if the Petitioners' family had already acquired 100 percent absolute ownership and control of the Company’s share capital via the purported transfers of 15.11.2000, it defies all logic and commercial sense that they would enter into a written agreement thirteen years later to sell a 30 percent stake of the same companies to Respondent No. 1. The execution of the 2013 *Angikarnama* constitutes an unequivocal admission by the Petitioners' predecessors that the historic 2000 transfers either never occurred or were entirely non-existent. Under the principle of unjust enrichment, it is documented that the Bashundhara flat was paid for entirely by Respondent No. 1 and its ownership was successfully transferred to Mrs. Afroza Zaman, who continues to enjoy the fruits of that property. The Petitioners' family cannot retain a premium real estate asset given as direct consideration for a corporate settlement, and simultaneously move this Court under Section 43 to strip the counter-party of their corresponding corporate shares. Equity will not permit a party to approbate and reprobate under the same transaction.

In a summary proceeding under Section 43 of the Companies Act, 1994, the Court cannot grant relief where the petitioners' root of title is severely compromised by defective execution, a total absence of statutory board approvals, decades of conscious acquiescence, and a subsequent written agreement that entirely refutes their historical claims. The regular, long-standing annual returns filed in Schedule-X from 2000 to 2019 accurately reflect the corporate status quo, which was acted upon by all parties, including Petitioner No. 1. The Petitioners have failed to establish that the names of Respondent Nos. 5 and 6 were entered into, or that the names of Respondent Nos. 1 and 4 were retained in, the Share Register without sufficient cause. On the contrary, the current state of the Share Register is supported by legal consideration, executed instruments, and statutory returns.

Accordingly, the application under section 43 of the Companies Act, 1994 is hereby dismissed. The shareholding and directorship structure of **Baitul Industries Limited,** as recorded in the statutory annual returns up to 31.12.2019 showing Respondent Nos. 1, 4, 5, and 6 as lawful shareholders and directors, is sustained.

Any ad-interim order passed earlier stands vacated.

Let a copy of this judgment be transmitted to the Registrar of Joint Stock Companies and Firms (RJSC) for record and compliance.

(Justice Md. Toufiq Inam)

Ashraf/ABO.