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

Present:
Mr. Justice Md. Toufiq Inam.

COMPANY MATTER NO. 526 OF 2024.

IN THE MATTER OF:

Prof. Dr. Ali Zaheer Al-Amin and others.
------ Petitioners.

- Versus -

Impulse Health Services and Research Centre Limited and others.
------ Respondents.

Mr. A.K.M. Badruddoza, Senior Advocate with
Mr. Md. Didarul Islam Perves, Advocate
------ For the Petitioners.
Mr. Mohammad Ahasan, Advocate
------ For the Respondent Nos. 1 and 3.

Mr. M.A. Awal, Advocate
------ For the Respondent Nos. 4, 5 and 8.

The 3rd Day of August, 2026.

Md. Toufiq Inam, J.

The present application under section 233 read with section 85(3) of the Companies Act, 1994 arises out of a long-standing dispute regarding the management and affairs of Respondent No. 1 Company- ***Impulse Health Services and Research Centre Ltd.*** The controversy centres on the legality of the removal of Petitioner No. 1 from the office of Managing Director, the appointment of Respondent No. 3 in his place, the validity of various Board Meetings and Extraordinary General Meetings, the composition of the Board of Directors, allotment of shares, and the overall management of the Company.

Since the institution of the proceedings, the parties have filed numerous interlocutory applications challenging successive corporate decisions, including the convening of Board Meetings and EGMs, suspension of directors, allotment of shares, and appointment of office bearers. During the pendency of the matter, the parties, through the mediation of a Crisis Resolution Committee (CRC), executed a Deed of Compromise dated 07.04.2025 with a view to resolving their disputes. Pursuant thereto, a Board Meeting and an EGM were held on 11.04.2025 adopting several resolutions relating to restructuring the Company's governance, updating its shareholding, restoring directors, increasing the authorised share capital and regularising its statutory affairs. However, disputes soon resurfaced regarding the implementation of the compromise, leading to further litigation, including allegations of breach of the settlement, unlawful meetings, fresh allotment of shares, suspension of directors and contempt proceedings.

The materials on record disclose that the rivalry between the two factions has resulted in a complete breakdown of corporate governance, rendering the Board incapable of functioning effectively. Both sides have levelled serious allegations of oppression, mismanagement and abuse of authority against each other, while the Company's affairs have remained embroiled in continuous litigation.

From the pleadings, affidavits and the successive interlocutory applications filed by the parties, it appears that the affairs of Respondent No. 1 Company have remained in a state of prolonged and irreconcilable deadlock. The dispute has extended far beyond a mere contest over directorship or management and has virtually paralysed the corporate governance of the Company. Since 2023, both factions have persistently challenged the legality of Board Meetings, EGMs, appointments and removals of directors, allotment of shares, and the management of the Company's affairs, resulting in numerous collateral civil, criminal and contempt proceedings. Despite repeated intervention by this Court, the parties have failed to restore normal corporate administration.

It further appears that, with the consent of both factions, a Crisis Resolution Committee (CRC) was constituted and, through its mediation, the parties executed a comprehensive Deed of Compromise dated 07.04.2025. Pursuant thereto, a Board Meeting and an EGM were held on 11.04.2025 adopting resolutions intended to resolve the long-standing disputes by updating the shareholding, restoring eligible directors, increasing the authorised capital, conducting pending audits and AGMs, and withdrawing all pending litigations. The compromise also contemplated that the Managing Director would administer the affairs of the Company under the supervision of the CRC until completion of the agreed process. However, the materials on record prima facie demonstrate that the compromise was never implemented in its true spirit. Instead, fresh disputes arose concerning the allotment of shares, convening of Board and General Meetings, suspension of directors, exclusion of shareholders from management, and the institution of further legal proceedings, thereby frustrating the very object of the settlement.

The record further reveals a complete breakdown of mutual trust and confidence among the directors. Each faction accuses the other of oppression, mismanagement and abuse of corporate power. The existing Board has become incapable of functioning collectively or taking decisions in the best interest of the Company. Even consensual arrangements arrived at before the Court and through the CRC have collapsed, while assurances given before the Court have themselves become the subject of contempt proceedings. Consequently, the Board has ceased to function as a deliberative corporate body and has instead become an instrument of continuing factional conflict.

The materials also indicate that the prolonged management crisis has seriously affected the Company's business and financial position. Repeated allegations have been made regarding mounting bank liabilities, defaults in repayment, deterioration of the Company's financial condition, non-compliance with statutory obligations, failure to prepare and place audited accounts and annual financial statements, non-holding of statutory meetings within time, and continuing uncertainty regarding the Company's shareholding structure. Irrespective of where ultimate responsibility may lie, it is evident that the present management structure has failed to ensure orderly corporate governance or protect the interests of the Company and all its shareholders.

On the last occasion, at the joint prayer of the learned Advocates for both sides, this matter was adjourned as a last opportunity to enable the rival groups to arrive at an amicable settlement in the larger interest of the Company, its shareholders and other stakeholders. Today, however, the learned Advocates unequivocally submit that all such efforts have failed and that no consensus could be reached. Consequently, the management of the Company continues to remain in complete deadlock, seriously impairing its corporate governance and smooth administration.

The materials on record demonstrate that the rivalry between the two factions has rendered the existing Board of Directors incapable of functioning as an effective governing body. The prolonged deadlock, repeated challenges to corporate decisions, failure to implement the agreed compromise and the continuing multiplicity of proceedings have brought the affairs of the Company to a virtual standstill. The interests of the Company have thus become subordinate to the competing interests of the rival groups.

In such circumstances, permitting either faction to continue exercising control over the management of the Company would only perpetuate the impasse and give rise to further disputes. Equally, restoring the previous management is neither practicable nor conducive to the welfare of the Company. The jurisdiction conferred upon this Court under section 233 of the Companies Act, 1994 is intended to bring an end to oppressive and prejudicial management and to restore proper corporate governance. That object cannot be achieved so long as the existing Board, whose members are themselves at the centre of the dispute, continues to administer the affairs of the Company.

This Court is, therefore, satisfied that the present case is an exceptional one warranting the exercise of its equitable and supervisory jurisdiction. The existing Board of Directors has ceased to inspire the confidence necessary for the proper management of the Company and is no longer in a position to discharge its fiduciary obligations in the collective interest of all shareholders. In these circumstances, dissolution of the existing Board and its replacement by an independent Interim Board, free from the influence of either faction, is the only effective means of restoring stability, ensuring impartial administration and protecting the Company as a going concern.

The paramount consideration of this Court is not the success of one faction over the other, but the preservation of the Company, the restoration of sound corporate governance and the protection of the rights and interests of all shareholders equally, together with those of the Hospital's patients, employees, creditors and other stakeholders. The Interim Board shall, therefore, assume charge of the affairs of the Company for a limited period, preserve its assets, regularise its statutory affairs, oversee its financial administration, ensure uninterrupted healthcare services, and take all necessary steps for constituting a duly elected and lawfully constituted Board of Directors in accordance with law.

Accordingly, **the existing Board of Directors of Respondent No. 1 Company shall stand dissolved with immediate effect.**

In place thereof, this Court hereby constitutes an independent **Interim Board of Directors** consisting of the following five members:

1. **Mr. Justice Md. Miftah Uddin Choudhury**, Retired Justice of the High Court Division, Supreme Court of Bangladesh, Room No. 329(2nd floor) Supreme Court Bar Building, Shahbagh, Dhaka, (CellNumber-01732660958)—**Chairman**;
2. **Barrister Md. Bodruddozza,** Senior Advocate, Supreme Court of Bangladesh; (Cell Numbers-01711540084, 01716197737)—**Member**;
3. **Professor Dr. SM Khorshed Mazumder,** Eminent Physician; (Cell Number-01711545058)—**Member**;
4. **Mr. Mohammad Shakil Choudhury FCA,** Chartered Accountant (Cell Number-01713082485) — **Member**; and
5. **Barrister Shah Muhammad Ezaz Rahman,** Advocate, Supreme Court of Bangladesh; (Cell Number-01711207482) — **Member**.

Immediately upon assumption of office, the Interim Board shall take over the management, control and administration of the Company and shall exercise all powers vested in the Board of Directors under the Companies Act, 1994, the Articles of Association and other applicable laws, subject to the directions contained in this judgment and order.

The Chairman of the Interim Board shall be entitled to remuneration of Tk. 150,000/- (Taka one lakh fifty thousand) per month, and each Independent Member of the Interim Board shall be entitled to remuneration of Tk. 100,000/- (Taka one lakh) per month. Such remuneration shall be paid out of the funds of the Company and shall be treated as a legitimate administrative expense necessarily incurred for the proper management, administration, and governance of the Company during the tenure of the Interim Board. The Company shall ensure that the said remuneration is paid regularly and without interruption for so long as the Interim Board continues to discharge its functions pursuant to the orders of this Court.

The Interim Board shall remain in office until a regular Board of Directors is constituted in accordance with law and approved by this Court or until further orders.

Constitution of the Regular Board

The Interim Board shall, forthwith upon assuming office, undertake all necessary measures to restore sound corporate governance and ensure the proper management of the affairs of the Company. It shall take expeditious steps to facilitate the constitution of a duly elected and regular Board of Directors strictly in accordance with the provisions of the Companies Act, 1994, the Articles of Association of the Company, and all other applicable laws, subject to this order or any further order/direction that may be passed by this Court.

The Chairman shall preside over all meetings of the Interim Board. Three (3) members, including the Chairman, shall constitute the quorum for any meeting of the Interim Board. Decisions of the

Interim Board shall, as far as practicable, be taken by majority vote. In the event of an equality of votes, the Chairman shall have and exercise a casting vote.

For such purpose, the Interim Board shall, inter alia—

(a) verify and finalise the lawful Register of Members;

(b) examine all disputed allotments and transfers of shares made during the pendency of the disputes;

(c) ensure completion of all statutory audits, annual financial statements, annual returns and other statutory compliances;

(d) convene such Board Meetings, Annual General Meetings and Extraordinary General Meetings as may be necessary in accordance with law; and

(e) complete the constitution of the regular Board within **120 (one hundred twenty) days**, or within such extended time as may be permitted by this Court.

Upon completion thereof, the Interim Board shall submit an Affidavit-in-Compliance together with a comprehensive report seeking approval of the newly constituted Board.

Powers and Duties of the Interim Board

The Interim Board shall have full authority—

(i) to manage and administer the affairs of the Hospital;

(ii) to ensure uninterrupted treatment of patients and continuous functioning of all medical, diagnostic, emergency, ICU, operation theatre, pharmacy and ancillary services;

(iii) to preserve and protect all movable and immovable assets of the Company;

(iv) to take custody of all books of accounts, statutory registers, licences, permits, title deeds, bank documents, contracts, patient records and electronic data;

(v) to operate all bank accounts of the Company;

(vi) to maintain proper books of accounts and financial records;

(vii) to review the financial affairs of the Company and submit appropriate recommendations before this Court;

(viii) to take all lawful measures necessary for protecting the Company as a going concern.

Financial Administration

The Chairman and one Member of the Interim Board, as may be authorised by a resolution of the Interim Board, shall act as the joint signatories for operating all bank accounts of the Company. The Interim Board shall be competent to incur all bona fide operational expenditure necessary for running the Hospital including—

(a) salaries and allowances of doctors, nurses and employees;

(b) procurement of medicines, surgical materials and medical equipment;

(c) payment of statutory dues, taxes and utility bills;

(d) maintenance of hospital infrastructure and essential services; and

(e) all other ordinary expenses necessary for uninterrupted patient care.

However, without prior leave of this Court, the Interim Board shall not—

(a) dispose of or create any encumbrance over any immovable property or major capital asset;

(b) undertake any merger, amalgamation or corporate restructuring;

(c) create any charge over the Company's assets except in the ordinary course of business;

(d) borrow any substantial amount beyond ordinary operational requirements;

(e) amend the Memorandum or Articles of Association;

(f) appoint any new employee; and

(g) do anything prejudicial to the interest of the company.

Employees to Remain Vested in the Interim Board

All officers, doctors, consultants, nurses and other employees of the Company shall, with immediate effect, stand vested in and be subject to the exclusive administrative, managerial and disciplinary control, supervision and direction of the Interim Board. No employee shall recognise or act upon any instruction, direction or communication issued by any former director, shareholder or member of either rival group unless the same is expressly authorised by the Interim Board. All employees shall owe their duties exclusively to the Interim Board during its tenure and shall extend full cooperation in carrying out its lawful directions for the proper management and administration of the Company. Any breach of this direction shall constitute misconduct and may entail disciplinary action in accordance with law, without prejudice to any proceedings for contempt of this Court.

Disciplinary Control over Employees

The Interim Board is hereby authorised to exercise full administrative and disciplinary control over the officers and employees of the Company and, where necessary in the interest of proper administration of the Hospital, to suspend, transfer, reassign, place on leave, initiate disciplinary proceedings against, or remove from any managerial, administrative or financial responsibility any officer or employee in accordance with the applicable law, the service rules of the Company and the principles of natural justice.

Where the Interim Board is satisfied that the continuance of any officer or employee in service is prejudicial to the interest of the Company, obstructs the implementation of this Court's order, interferes with the functioning of the Interim Board, compromises patient care, or involves misconduct, fraud, insubordination or breach of fiduciary duty, it may, after following due process of law, terminate the service of such officer or employee in accordance with the applicable service rules and shall report such action to this Court in its next compliance report.

Pending disciplinary proceedings, the Interim Board may place any officer or employee under suspension whenever such suspension is considered necessary in the interest of fair investigation, orderly administration or protection of the assets, records and affairs of the Company. No officer or employee under suspension or against whom disciplinary proceedings are pending shall, without the prior approval of the Interim Board, enter the administrative offices of the Company, access confidential records or electronic systems, or participate in the management or administration of the Company.

Remuneration

Pending the constitution of the regular Board of Directors, no director, former director, shareholder, or member of the senior management shall grant to himself or herself, or receive, any increase in remuneration, salary, honorarium, consultancy fee, sitting fee, bonus, perquisite, allowance or any other pecuniary benefit without the prior leave of this Court. This restriction shall not apply to the payment of regular salaries, wages and other lawful service benefits payable in the ordinary course of business to the doctors, nurses, medical professionals and other employees of the Hospital.

Restriction regarding Shares

Until further orders of this Court—

(a) no shareholder shall transfer, assign, gift, pledge, mortgage, encumber or otherwise deal with any shares or beneficial interest in the Company;

(b) no new shares shall be issued or allotted;

(c) no transfer or transmission of shares shall be registered;

(d) no alteration shall be made in the authorised, issued or paid-up share capital;

(e) no voting arrangement or shareholders' agreement affecting control of the Company shall be entered into.

Any transaction made in violation of these directions shall remain subject to further orders of this Court.

The Registrar of Joint Stock Companies and Firms shall not register any return or filing relating to transfer or allotment of shares or alteration of capital unless authorised by this Court.

Restriction upon the Rival Groups

Upon dissolution of the existing Board, every former director shall immediately cease to exercise any executive, managerial, administrative or financial authority on behalf of the Company.Neither of the rival groups of shareholders or former directors shall interfere with, obstruct, influence or attempt to influence the functioning of the Interim Board either directly or indirectly.No instruction shall be issued by any shareholder or former director to any employee, doctor, consultant or officer of the Hospital except through the Interim Board.

All books, records, passwords, title deeds, bank documents, licences, statutory registers and other assets of the Company shall forthwith be handed over to the Interim Board.

Consequences of Non-compliance

Every shareholder, former director, officer and employee is hereby directed to extend full cooperation to the Interim Board.If any shareholder, former director or either of the rival groups wilfully disobeys, obstructs or interferes with the implementation of this order, attempts to influence the Interim Board, tampers with the records or assets of the Company, convenes any meeting, issues any notice, or undertakes any act intended to defeat or frustrate the implementation of this order, such conduct shall be treated as a deliberate abuse of the process of the Court.

In such event, this Court shall pass such further orders as justice may require, including—

(a) suspension or regulation of the voting rights attached to the shares held by such person;

(b) restraining such person from attending or participating in any meeting of the Company;

(c) suspension of shareholder privileges relating to management and governance;

(d) disqualification from holding or contesting any office of Director or any committee of the Company;

(e) freezing of further dealings with the shares held by such person;

(f) appointment of additional independent officers or administrators;

(g) attachment of records or properties where necessary; and

(h) initiation of proceedings for contempt of Court and such other proceedings as may be permissible under law.

Cooperation of Authorities

The Director General of Health Services (DGHS), the Registrar of Joint Stock Companies and Firms (RJSC), the Deputy Commissioner of Police, Tejgaon Zone- DMP, the Officer-in-Charge- Tejgaon Police Station-DMP, all scheduled banks maintaining accounts of the Company, and premises shall render all lawful assistance to the Interim Board whenever required.

Monitoring Compliance

The Interim Board shall submit its first report, by way of affidavit in compliance, within 30 (thirty) days from the date of assumption of office and thereafter every 30 (thirty) days until further orders, setting out—

(i) the financial position of the Company;

(ii) statutory compliance;

(iii) progress regarding constitution of the regular Board;

(iv) major administrative decisions; and

(v) any further directions required from this Court.

Liberty is reserved to the Chairman of the Interim Board to apply before this Court for any clarification, modification or further direction necessary for effective implementation of this judgment.

Office is directed to communicate this order forthwith, by Special Messenger at the cost of the petitioners, to the Chairman and Members of the Interim Board, the Director General of Health Services (DGHS), the Registrar of Joint Stock Companies and Firms (RJSC), the Deputy Commissioner of Police, Tejgaon Zone-DMP, the Officer-in-Charge- Tejgaon Police Station-DMP, all scheduled banks maintaining accounts of the Company, for immediate compliance.

Let this matter appear in the cause list on 10.09.2026 for monitoring compliance and for such further orders as may be considered necessary.

(Justice Md. Toufiq Inam)

Ashraf/ABO.