

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

Company Matter No. 84 of 2025.

In the Matter Of:

An application under Section 85(3) read with
Section 233 of the Companies Act, 1994.

-And-

In the matter of :

Md. Abdus Salam

.....Petitioner.

-Versus-

The Registrar of Joint Stock Companies and Firms
and others.

....Respondents.

Mr. Khandaker Mohammad Sayadul Kawsar,
Advocate

.....For the Petitioners.

No one appears.

....For the Respondents.

Heard and Judgment delivered On: 12.10.2025.

Present:

Md. Toufiq Inam, J:

This is an application filed by the Petitioner, the Chairman and majority shareholder of the respondent-company, *Salam Shipping Lines Limited*, under Section 85(3) read with Section 233 of the Companies Act, 1994. The Petitioner seeks an order of this Court permitting the convening and holding of an Extraordinary General Meeting (EGM) of the Company in such manner as this Court may direct, without the presence of certain directors who have obstructed

company management, and for consequential protection of the company's affairs.

That the Respondent No. 2, *Salam Shipping Lines Limited*, is a private limited company duly incorporated under the Companies Act, 1994, having its registered office at 57, Purana Paltan Line, SEL Trident Tower, Suite NO.1004 (10th Floor), Dhaka-1000, bearing Registration No. C-127667/2015 dated 07.12.2015. The Company is engaged in the business of shipping, cargo transport, shipbuilding, trawler operation, fishing, and related marine services, including manufacturing and trading of fishing equipment, hooks, threads, and other accessories across Bangladesh.

That the Memorandum and Articles of Association of the Company provide, inter alia, that the authorized capital of the Company is Tk. 10,00,00,000/- (ten crore) divided into 10,00,000 (ten lac) ordinary shares of Tk. 100/- each, and the paid-up capital consists of 10,000 shares of Tk. 100/- each. The Petitioner is the Chairman and majority shareholder of the Company, holding 4,85,000 shares. That the Respondent No. 1 is the Registrar of Joint Stock Companies and Firms ("RJSC"). Respondent Nos. 3–5 are shareholder-directors of the Respondent No. 2 Company, each holding 5,000 shares.

Background and Allegations

That by a letter dated 27.05.2021, the Petitioner removed Respondent No. 4 from the position of Executive Director on grounds of prolonged inactivity, poor performance, and conduct detrimental to the Company's interest. It was alleged that Respondent No. 4 persistently failed to attend meetings, refused to sign minutes, and made baseless accusations of falsifying accounts, thereby causing serious operational disruption and reputational harm. She was, however, allowed to continue as a shareholder-director.

That by a further letter dated 24.06.2021, the Petitioner removed Respondent No. 3 from the position of Chief Executive Officer (CEO) citing gross mismanagement, failure to maintain proper accounts, unprofessional conduct, and deliberate obstruction of the Company's governance. Despite repeated opportunities for rectification, Respondent No. 3 continued to act in a manner detrimental to the Company's financial and operational interests but was similarly permitted to remain a shareholder-director.

That on 27.06.2021, the Petitioner notified City Bank Limited, Banani Branch, that two cheques (Nos. 9621631 and 9621632) amounting to Tk. 6.27 crore and Tk. 6.55 crore, respectively, had been fraudulently presented for encashment by Respondent Nos. 3 and 4 without

authorization. The Petitioner immediately instructed the Bank to stop payment and lodged a complaint with the authorities, whereupon the Bank stopped payment on the said cheques.

That on the same date, Md. Shafiqul Alam Kibria Bhuiyan, the Company's Legal Officer, lodged General Diary No. 1914 dated 27.06.2021 with Paltan Model Police Station, Dhaka, against Respondent Nos. 3 and 4, alleging embezzlement of approximately Tk. 60–65 lakh during Respondent No. 3's tenure as CEO, and misappropriation of signed cheque books and accounting documents which he failed to return despite repeated requests. The attempted encashment of cheques worth Tk. 12.82 crore was treated as a deliberate act of misappropriation.

That subsequently, Respondent No. 4 filed CR Case No. 837 of 2021 under Sections 138/140 of the Negotiable Instruments Act, 1881 (as amended) against the Petitioner, falsely alleging that the disputed cheques were issued pursuant to a share transfer agreement dated 30.12.2020. The Petitioner categorically denies the authenticity and enforceability of the alleged agreement, asserting that it was fabricated to justify the fraudulent presentation of the cheques.

That the Company's Vice-Chairman, by a letter dated 26.09.2021, addressed to the Ministry of Foreign Affairs, sought security assistance following threats and intimidation by Respondent Nos. 3–5, who had allegedly engaged in fraudulent and violent activities, including embezzlement exceeding Tk. 4 million and submission of false cheques totaling Tk. 12.82 crore.

That a Settlement Deed dated 11.11.2021 was executed between the Petitioner and the Respondents, whereby both parties agreed to withdraw all pending cheque dishonour cases (CR Case Nos. 638/21, 837/21, and 1435/21). The Petitioner duly complied by withdrawing CR Case No. 1435/21 pursuant to Court order dated 21.12.2021; however, the Respondents failed to withdraw CR Case No. 837/21, thereby breaching the terms of the Settlement Deed.

That further complaints were made against Respondent No. 5 by the Head of Operations and launch staff, alleging acts of intimidation, assault, and misconduct aboard the Company's principal vessel, MV Manami. His violent behaviour, threats, and interference with staff discipline were documented in several General Diaries filed between December 2021 and January 2022. In view of continued misconduct, the Petitioner, by letter dated 10.01.2022, removed Respondent No. 5 from the post of Operations Director for serious irregularities,

unauthorized withdrawals, interference with employee discipline, and spreading false allegations of fraud against the Company, though he too was permitted to remain a shareholder-director. Multiple subsequent General Diaries and internal complaints (between 12–30 January 2022) reveal that Respondent No. 5 repeatedly visited the Company's launch at Barisal with armed outsiders, issuing threats and attempting to forcibly remove employees loyal to the Petitioner's management, thereby endangering staff safety and disrupting operations. Consequently, on 18.02.2022, Md. Shafiqul Alam lodged an FIR against Respondent Nos. 3–5 for theft of approximately 100 signed blank cheques belonging to the Company, suspected to have been used for fraudulent encashment attempts.

That Respondent Nos. 3–5 have continuously failed to attend duly convened Board Meetings, Extraordinary General Meetings (EGMs), and Annual General Meetings (AGMs) despite receiving proper notice, resulting in repeated failures to form quorum and transact essential company business. Notices for the 5th AGM dated 03.03.2022, 16.05.2022, and 21.07.2022, and for the 6th AGM scheduled for 14.08.2022, were duly served but wilfully ignored by the said Respondents. Their persistent absence, obstruction, and misconduct have rendered it impracticable to call or conduct valid meetings as required by the Articles of Association and the Companies Act, thereby paralysing the company's operations and

prejudicing its interests within the meaning of Section 233 of the Companies Act, 1994.

That in order to restore stability and effective management, the Petitioner now proposes to induct three new shareholder-directors, namely:

(i) Mr. Syed Ziaul Haque (NID 6400997612) – 0.5% shareholding;
(ii) Ms. Suravi Alam (NID 5994147873) – 1% shareholding; and
(iii) Ms. Sabina Yeasmin (NID 7300996993) – 0.5% shareholding;
who are competent and resourceful professionals expected to contribute capital, expertise, and strategic leadership toward the Company's growth and expansion.

Petitioner's Arguments:

Mr. Khandaker Mohammad Sayadul Kawsar learned Counsel for the Petitioner, submits that Respondent Nos. 3–5 have conducted the affairs of the Company in a manner grossly prejudicial to the interests of the Company and its shareholders, and their continued involvement poses a serious threat to the integrity of its management and financial stability.

He further submits that, due to the Respondents' persistent absenteeism and obstruction in convening meetings, it has become impracticable to hold an EGM with the required quorum. Accordingly, the Petitioner prays that this Hon'ble Court, under Section 85(3) of the Companies Act, 1994, direct that the quorum for the proposed EGM be constituted without the presence of Respondent Nos. 3–5, to approve the proposed share transfers and reconstitution of the Board.

Learned Counsel prays that this Hon'ble Court may also pass appropriate orders under Section 233 of the Act for removal of Respondent Nos. 3–5 from the directorship and shareholding of the Respondent No. 2 Company in the interest of justice and to prevent continuing oppression and mismanagement.

It appears from the record that Respondent Nos. 3–5 were associated with the company as shareholder-directors but, over time, became inactive and obstructive. By letters dated 27.05.2021, 24.06.2021 and 10.01.2022 respectively, they were removed from their managerial posts for inefficiency, mismanagement, embezzlement, and misconduct, though they remained shareholders.

Evidence on record shows that two cheques amounting to Tk. 12.82 crore were presented for encashment without authorization, leading to stop-payment instructions from the company's banker on 27.06.2021. The company's Legal Officer lodged GD No. 1914 dated 27.06.2021 at Paltan Model Police Station, Dhaka, alleging embezzlement of Tk. 60–65 lakh and misappropriation of cheque books and financial records. Further GDs and complaints describe violent and intimidatory conduct by Respondent No. 5 aboard the company's vessel *MV Manami*. Subsequent FIRs were lodged alleging theft of signed blank cheques and obstruction of company operations.

Despite notices served for multiple board meetings, EGMs and AGMs between 2019 and 2022—including the 5th and 6th AGMs—the said respondents did not attend, resulting in repeated failure of meetings for want of quorum. The petitioner also relies on a Settlement Deed dated 11.11.2021 between the parties relating to withdrawal of pending cheque dishonour cases, which the respondents failed to honour.

Findings of this Court:

It appears that this application was duly admitted earlier by this Court, advertised in national dailies as directed by this Court, and no

objection or opposition has been filed by any shareholder, creditor, or the Registrar of Joint Stock Companies and Firms (RJSC).

The principal question for determination is whether it has become impracticable to call and conduct a valid meeting of the company in accordance with its Articles of Association and the provisions of the Companies Act, thereby justifying the exercise of this Court's supervisory and regulatory authority under Section 85(3) of the Companies Act, 1994.

Upon careful consideration of the materials on record, it appears that despite repeated statutory notices, Respondent Nos. 3–5 have persistently failed to attend or cooperate in holding either board or general meetings, resulting in complete paralysis of the company's internal management. Such sustained obstruction squarely satisfies the statutory condition of “impracticability” contemplated under Section 85(3), thereby warranting the Court's intervention to enable the company's affairs to proceed lawfully.

The contemporaneous documents, including bank correspondence, police records, and internal complaints, further reveal instances of unauthorized cheque presentations, misappropriation of funds, and violent interference in company operations—conduct manifestly

prejudicial to the company's interests and amounting to mismanagement within the meaning of Section 233 of the Act. While the question of criminal liability arising from such conduct may be adjudicated in the appropriate forum, it is incumbent upon this Court, under its statutory power conferred by Section 85, to safeguard the company's functioning and prevent further prejudice to its legitimate business. Having regard to the Petitioner's majority shareholding, the absence of any substantive opposition, and the overwhelming documentary evidence, the Court is satisfied that limited, protective reliefs—namely, permission to convene an Extraordinary General Meeting (EGM) and reconstitute the Board of Directors—are necessary and appropriate to protect the company's assets, ensure proper management, and facilitate its continued lawful operation.

For the reasons recorded above, this Court is satisfied that the Petitioner has successfully established that it has become impracticable to convene a valid meeting of the company in the ordinary manner within the meaning of **Section 85(3)** of the Companies Act, 1994, and that the affairs of the company have been conducted in a manner prejudicial to its interests.

Accordingly, the application succeeds and is hereby allowed in the following terms and directions:

1. Authorisation to convene EGM: The Petitioner is hereby authorised under Section 85(3) of the Companies Act, 1994 to convene and hold an Extraordinary General Meeting (EGM) of *Salam Shipping Lines Limited* for the following purposes:

(a) To approve the transfer of a portion of the Petitioner's shares to the proposed new shareholders, namely—

(i) Mr. Syed Ziaul Haque (NID 6400997612) – 0.5% shareholding;

(ii) Ms. Suravi Alam (NID 5994147873) – 1% shareholding; and

(iii) Ms. Sabina Yeasmin (NID 7300996993) – 0.5% shareholding;

and

(b) To elect and reconstitute the Board of Directors of the company.

2. Validity of quorum: The quorum for the said EGM shall be treated as valid even if Respondent Nos. 3, 4, and 5 are absent, and the meeting so held shall be considered a lawful and valid meeting under Section 85(3) of the Companies Act, 1994.

3. Notice of meeting: Upon obtaining a certified copy of this Judgment and Order, the Petitioner shall issue not less than the statutory minimum notice to all members for convening the said meeting and shall cause such notice to be published in two widely circulated national daily newspapers, namely, “দৈনিক ভোরের ডাক” and “The Financial Express”, within 2(two) weeks on receipt of this judgment. The Petitioner is further directed to send individual notices of the EGM to all shareholders at their last known addresses by registered post with acknowledgment, at least fourteen (14) days prior to the proposed date of the EGM. The said newspaper publications and individual postal notices shall together be deemed due and sufficient service of notice upon all members of the company for the purposes of convening the said meeting in accordance with law.

4. Compliance report: The Petitioner shall file a report of compliance (including newspaper publication and postal receipts of EGM) together with certified copies of the minutes and resolutions adopted at the said EGM before the Registrar of Joint Stock Companies and Firms (RJSC) within seven (7) days of the meeting’s conclusion.

5. Registration by RJSC: The RJSC shall thereupon record the reconstitution of the Board of Directors and the transfer of shares in accordance with law.

6. Interim restraint: Pending completion of the EGM and registration of the resolutions as aforesaid, Respondent Nos. 3, 4, and 5 are hereby restrained from interfering with the management, operations, or banking affairs of the company, or from representing themselves as officers, agents, or authorized representatives of the company in any capacity.

7. Donation undertaking: As a gesture of good corporate citizenship and in keeping with the established practice of this Court, the Petitioner has voluntarily undertaken to donate a sum of Taka 2,00,000/- (Taka two lakh only) through Pay Orders. The donation shall be made as follows:
 - i) Taka 1,00,000/- (Taka one lakh only) in favour of ***“Hazipur Kendrio Jame Masjid,”*** Magura Sadar;

 - ii) Taka 50,000/- (Taka fifty thousand only) in favour of ***“Baitur Rahman Jame Masjid,”*** Bhanga, Faridpur; and

iii) Taka 50,000/- (Taka fifty thousand only) in favour of
“Baitul Aksa Jame Masjid,” Culvert Road, Shahbagh,
Dhaka.

Proof of such donations shall be submitted before the Registrar of the
Court, whereupon the Judgment shall be formally drawn up.

8. There shall be no order as to costs.

(Justice Md. Toufiq Inam)

Ashraf/ABO.