

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

**Present:**

Mr. Justice Sikder Mahmudur Razi

**IN THE MATTER OF:**

**Company Matter No. 1936 of 2025**

**In the matter of:**

An application under section 59 read with section 60 of the Companies Act, 1994.

**And**

**In the matter of:**

The IBN SINA Polymer Industries Ltd.  
...Petitioner.

-Versus-

The Registrar, Joint Stock Companies and Firms  
and another.

...Respondents.

Mr. Mohammad Golam Kibria, Adv.

....For the Petitioner.

**Heard on: 16.06.2026, 17.06.2026 & 21.06.2026**

**And**

**Judgment on: The 5<sup>th</sup> July, 2026.**

1. Let the supplementary affidavits be form part of the main application.
2. This is an application under sections 59 read with section 60 of the Companies Act, 1994 seeking confirmation of the reduction of the subscribed share capital of the petitioner company. The petitioner has further prayed for consequential directions upon the Registrar of Joint Stock Companies and Firms (RJSC) to rectify the statutory records maintained by it so as to reflect the true subscribed and paid-up share capital of the company. During the pendency of the proceeding, the petitioner also filed supplementary affidavits praying, inter alia, for dispensation of the requirement of adding the words "**and reduced**" after the name of the company under section 61 of the Companies Act, 1994 and for appropriate

consequential directions regarding rectification of the erroneous Schedule-X(s) filed with the Registrar.

3. The facts, as disclosed from the petition and the supplementary affidavits, in brief, are that the petitioner, **The IBN SINA Polymer Industries Ltd.**, is a private company limited by shares incorporated on 25.05.2020 under the Companies Act, 1994, bearing Certificate of Incorporation No. C-160691. That at the time of incorporation the authorized share capital of the company was fixed at Tk.40,00,00,000/- divided into 4,00,00,000 ordinary shares of Tk.10/- each. According to the original intention of the promoters, namely, The IBN SINA Trust and The IBN SINA Pharmaceutical Industry PLC, the total subscribed capital was intended to be Tk.1,00,00,000/- divided into 10,00,000 ordinary shares of Tk.10/- each, where the former subscribed 3,50,000 shares and the latter subscribed 6,50,000 shares. However, owing to an inadvertent clerical and typographical mistake committed during the online submission of the subscription page of the Memorandum of Association, the number of shares subscribed by each promoter was wrongly entered by adding an extra digit, thereby erroneously recording the subscribed share capital as Tk.10,00,00,000/- divided into 1,00,00,000 ordinary shares instead of Tk.1,00,00,000/- divided into 10,00,000 ordinary shares. According to the petitioner, the mistake was purely accidental and did not reflect the true intention of the subscribers at the time of incorporation.

The petitioner further states that because of the aforesaid inadvertent error in the subscription page, the records maintained by the Registrar of Joint Stock Companies and Firms thereafter continued to reflect the

incorrect subscribed and paid-up capital of the company. Although the subsequent audit reports consistently reflected the actual capital structure maintained by the company, the statutory filings before the Registrar inadvertently continued to carry forward the original error. Consequently, the Schedule-X submitted after the first Annual General Meeting held on 09.11.2021 incorrectly showed the paid-up capital of the company as Tk.10,00,00,000/- divided into 1,00,00,000 ordinary shares, whereas the audited financial statements for the same accounting year correctly reflected the paid-up capital at Tk.1,00,00,000/- divided into 10,00,000 ordinary shares.

The petitioner further states that on 25.06.2022 the company duly allotted 50,00,000 ordinary shares having a face value of Tk.5,00,00,000/- by filing Return of Allotment (Form-XV). After such allotment, the actual paid-up capital of the company became Tk.6,00,00,000/- divided into 60,00,000 ordinary shares. Nevertheless, because of the original error in the subscription page, the Schedule-X submitted after the second Annual General Meeting dated 30.11.2022 incorrectly reflected the paid-up capital as Tk.15,00,00,000/- divided into 1,50,00,000 ordinary shares. Similar discrepancies also continued in the statutory filings made after the allotment of further shares on 30.07.2023 and 28.04.2025, notwithstanding the fact that the audited financial statements correctly disclosed the actual paid-up capital and shareholding position of the company. Thus, according to the petitioner, every subsequent Schedule-X merely carried forward the initial clerical error committed at the time of incorporation.

It has further been stated that in order to remove the aforesaid anomaly and to ensure that the statutory records maintained by the Registrar correctly correspond with the true capital structure of the company, the petitioner convened an Extra-Ordinary General Meeting by notice dated 21.09.2025. The meeting was duly held on 12.10.2025 wherein all the shareholders unanimously adopted a Special Resolution resolving to reduce the subscribed share capital of the company from Tk.10,00,00,000/- divided into 1,00,00,000 ordinary shares of Tk.10/- each to Tk.1,00,00,000/- divided into 10,00,000 ordinary shares of Tk.10/- each so as to rectify the typographical error appearing in the subscription page of the Memorandum of Association and to reflect the true intention of the subscribers at the time of incorporation. According to the petitioner, the proposed reduction neither involves any repayment of paid-up capital to the shareholders nor any diminution of liability in respect of unpaid share capital. It is merely intended to correct an erroneous entry made in the incorporation documents so that the statutory records may conform to the actual financial and shareholding position of the company.

The petitioner further asserts that unless the aforesaid correction is effected through an order of this Court under sections 59 and 60 of the Companies Act, 1994, the inconsistency originating from the erroneous subscription page will continue to be reflected not only in the statutory records of the Registrar but also in the consolidated financial statements and corporate records of the petitioner company as well as its parent company, namely, The IBN SINA Pharmaceutical Industry PLC, thereby creating avoidable inconsistencies in statutory reporting and corporate compliance. It

has also been stated that no creditor shall suffer any prejudice by the proposed reduction since the company has no outstanding credit facilities or financial liabilities with any banking or non-banking financial institution. The company merely maintains ordinary banking accounts with several scheduled banks. For that reason, Bangladesh Bank together with the account maintaining banks have also been impleaded as respondents so that no question may subsequently arise regarding the maintainability or effectiveness of the relief sought by the petitioner.

The petitioner has also filed supplementary affidavits submitting that since the proposed reduction does not involve repayment of paid-up capital nor diminution of liability in respect of unpaid share capital, this Court may, in exercise of its jurisdiction under section 61 of the Companies Act, 1994 read with Rules 23 and 24 of the Companies Rules, 2009, dispense with the requirement of adding the words "and reduced" after the name of the company. By another supplementary affidavit, the petitioner has further prayed that appropriate consequential directions be issued upon the Registrar of Joint Stock Companies and Firms for rectification of Schedule-X dated 09.11.2021, Schedule-X dated 30.11.2022 and Schedule-X dated 22.10.2023 together with all consequential corrections, endorsements and amendments in the statutory records and electronic database maintained by the Registrar so as to correctly reflect the capital structure of the petitioner company.

**4.** Mr. Mohammad Golam Kibria, learned Advocate appearing on behalf of the petitioner, submits that the petitioner company has strictly complied with all the procedural and substantive requirements contemplated under sections 59 and 60 of the Companies Act, 1994. He submits that the Articles

of Association expressly authorize reduction of share capital and that the shareholders have unanimously adopted a Special Resolution approving the proposed reduction. He submits that unlike an ordinary reduction of capital involving repayment of capital or extinguishment of shareholders' rights, the present case concerns only rectification of an inadvertent clerical mistake committed at the time of incorporation, which subsequently permeated all statutory filings before the Registrar. According to the learned Advocate, the reduction is therefore merely corrective in nature and seeks to restore the statutory records to the position originally intended by the promoters.

He next submits that no creditor, shareholder or third party shall suffer any prejudice by reason of the proposed reduction. The company has no secured or unsecured borrowings and no outstanding credit facilities from any bank or financial institution. The reduction neither affects the assets of the company nor results in repayment of any paid-up capital. Learned Advocate further submits that all subsequent allotments of shares were genuine and duly reflected in the audited financial statements, and only the original subscription figures require correction. Therefore, he submits that this Court should not only confirm the reduction under sections 59 and 60 of the Companies Act, 1994 but should also dispense with the addition of the words "and reduced" under section 61 and direct the Registrar of Joint Stock Companies and Firms to rectify the erroneous Schedule-Xs together with all consequential statutory records maintained by it. He accordingly prays for allowing the application in its entirety.

5. No one appears to oppose the application. The matter has, therefore, been taken up for hearing on the basis of the petition, the supplementary affidavits and the documents brought on record.

6. I have heard the learned Advocate appearing for the petitioner, perused the petition, the supplementary affidavits and other materials on record. Upon consideration of the entire materials on record, this Court finds as follows.

At the outset, it appears that the controversy involved in the present application is substantially different from an ordinary case of reduction of share capital contemplated under sections 59 and 60 of the Companies Act, 1994. Ordinarily, reduction of share capital involves extinguishment or diminution of liability on shares, cancellation of lost capital or repayment of paid-up capital to shareholders. The present case, however, does not fall within any of those conventional categories. Rather, the reduction sought by the petitioner is intended to rectify an inadvertent clerical and typographical error committed in the subscription page of the Memorandum of Association at the very inception of the company, whereby the number of shares subscribed by each promoter was wrongly entered with an additional digit, thereby inflating the subscribed capital from Tk.1,00,00,000/- to Tk.10,00,00,000/-.

It further appears from the records that the petitioner has consistently maintained, and nothing has been brought before this Court to contradict the same, that the original intention of the promoters was to subscribe only 10,00,000 ordinary shares of Tk.10/- each aggregating to Tk.1,00,00,000/-.

The erroneous figure appearing in the subscription page was neither intended by the subscribers nor reflected the actual subscription made by them. The mistake occurred during the online preparation and submission of the incorporation documents and, unfortunately, remained unnoticed at the relevant time. There is nothing on record suggesting that the error was deliberate or was made for obtaining any unlawful advantage. On the contrary, the subsequent conduct of the company demonstrates that the company always proceeded on the basis of the actual subscribed capital and maintained its books of accounts accordingly.

I also notice that the audited financial statements prepared immediately after incorporation correctly disclosed the paid-up capital of the company as Tk.1,00,00,000/- divided into 10,00,000 ordinary shares. However, because the incorporation records maintained by the Registrar already reflected the erroneous subscription, every subsequent Schedule-X filed before the Registrar merely perpetuated the original mistake. Thus, the discrepancy did not originate from the annual statutory returns themselves; rather, those returns simply reproduced the erroneous capital structure already appearing in the incorporation documents. This explains why the audited financial statements and the statutory filings gradually diverged from each other notwithstanding that both were intended to represent the same corporate position.

The materials on record further disclose that subsequent allotments of shares made on 25.06.2022, 30.07.2023 and 28.04.2025 were genuine corporate transactions duly approved by the competent authority of the company and were supported by corresponding statutory filings. Those

allotments themselves have never been challenged nor has any allegation been made that they were irregular or fictitious. The only anomaly lies in the fact that each subsequent increase was calculated upon an incorrect initial subscribed capital. Consequently, while the annual audit reports consistently reflected the actual paid-up capital after each allotment, the Schedule-Xs filed before the Registrar continued to exhibit inflated figures. Therefore, unless the original subscription is first corrected, every subsequent statutory record necessarily remains inconsistent with the actual financial position of the company.

I am, therefore, satisfied that the proposed reduction does not seek to alter the commercial or financial rights of any shareholder. Equally, it does not involve cancellation of any valid allotment made after incorporation. The object of the present proceeding is simply to restore the subscription page of the Memorandum of Association to the position which the promoters originally intended and thereby eliminate the cascading consequences of the inadvertent typographical error.

I have also examined whether the proposed reduction is likely to prejudice the interests of creditors or other stakeholders. The petitioner has categorically stated that the company has no outstanding borrowing or credit facility from any bank or financial institution and that the company merely maintains ordinary banking accounts with certain scheduled banks. Bangladesh Bank together with those accounts maintaining banks have also been impleaded as respondents so that no question of prejudice or want of notice may subsequently arise. Significantly, despite due notice, none of those respondents has chosen to contest the application or dispute the factual

assertions made in the petition. Likewise, no creditor, shareholder or interested person has appeared before this Court to object to the proposed reduction. The absence of any opposition from persons whose rights could possibly be affected is itself a strong circumstance supporting the bona fide nature of the present application.

I am also satisfied that the present reduction neither involves repayment of paid-up capital nor diminution of liability in respect of unpaid share capital. The subscribed capital intended to be reduced never represented any additional financial contribution received by the company. Nor is any shareholder being paid back any portion of his investment. In substance, therefore, the present application seeks correction of an erroneous corporate record rather than redistribution of the company's assets. Consequently, the rationale underlying creditor protection in conventional reduction of capital proceedings has little application to the peculiar facts of the present case.

The petitioner has also prayed for dispensation of the addition of the words "and reduced" after the name of the company under section 61 of the Companies Act, 1994. Under the proviso to section 61 read with Rules 23 and 24 of the Companies Rules, 2009, where the reduction neither involves diminution of liability in respect of unpaid share capital nor repayment of paid-up capital, the Court may, if it thinks fit, dispense altogether with such requirement. Considering the nature of the present reduction, which is merely corrective and does not affect the substantive rights of creditors or shareholders, I find sufficient grounds for dispensing with the addition of the words "and reduced" after the name of the petitioner company.

I further find considerable force in the petitioner's submission that confirmation of the reduction alone would not completely resolve the anomaly unless corresponding corrections are also carried out in the statutory records maintained by the Registrar of Joint Stock Companies and Firms. Once this Court confirms that the original subscribed capital stood at Tk.1,00,00,000/- divided into 10,00,000 ordinary shares, the Registrar cannot continue to maintain statutory records showing the incorrect figures originating from the same error. The rectification of Schedule-X dated 09.11.2021, Schedule-X dated 30.11.2022 and Schedule-X dated 22.10.2023, together with all consequential amendments in the Registrar's database and electronic records, is therefore not an independent relief but a necessary consequence of confirmation of the reduction. Unless such consequential directions are issued, the very purpose of invoking the jurisdiction of this Court under sections 59 and 60 would remain substantially frustrated.

It is a settled principle that while exercising jurisdiction under sections 59 and 60 of the Companies Act, 1994, the Court is not confined merely to confirming or refusing a proposed reduction of capital. Being a Court exercising equitable jurisdiction in corporate matters, it possesses ample authority to pass such ancillary and consequential directions as may be necessary to give complete effect to its order and to remove practical difficulties arising from the implementation thereof. Where the reduction itself is intended to rectify an inadvertent mistake which has permeated the statutory records maintained by the regulatory authority, consequential

directions for correction of those records naturally flow from the order confirming the reduction.

Having considered the entire facts and circumstances of the case, I am satisfied that the petitioner has acted bona fide, that the proposed reduction faithfully reflects the original intention of the promoters at the time of incorporation, that no creditor, shareholder or third party shall suffer any prejudice thereby, that the statutory requirements prescribed by sections 59 and 60 of the Companies Act, 1994 have been duly complied with, and that the reduction is necessary to ensure that the corporate records maintained by the Registrar accurately correspond with the actual legal and financial position of the petitioner company. Accordingly, I find considerable merit in the application and is inclined to confirm the Special Resolution dated 12.10.2025 together with the consequential reliefs prayed for by the petitioner.

7. In the result, the application under sections 59 read with section 60 of the Companies Act, 1994 is allowed.

(i) The reduction of the subscribed share capital of the petitioner company, namely, **The IBN SINA Polymer Industries Ltd.**, from Tk.10,00,00,000/- (Taka Ten Crore) divided into 1,00,00,000 (One Crore) ordinary shares of Tk.10/- each to Tk.1,00,00,000/- (Taka One Crore) divided into 10,00,000 (Ten Lac) ordinary shares of Tk.10/- each, as approved by the Special Resolution adopted at the Extra-Ordinary General Meeting held on 12.10.2025, is hereby confirmed under sections 59 and 60 of the Companies Act, 1994.

The Court records that the aforesaid reduction is intended solely to rectify the inadvertent clerical and typographical error committed in the subscription page of the Memorandum of Association at the time of incorporation and to reflect the true subscription originally intended by the promoters of the company.

(ii) The Memorandum of Association and the Articles of Association of the petitioner company shall stand altered accordingly so as to reflect the subscribed share capital as Tk.1,00,00,000/- (Taka One Crore) divided into 10,00,000 (Ten Lac) ordinary shares of Tk.10/- each as on the date of incorporation, subject to the subsequent lawful allotments of shares already made by the company in accordance with law.

(iii) Since the present reduction neither involves repayment of any paid-up share capital to the shareholders nor diminution of liability in respect of unpaid share capital and is merely intended to correct an inadvertent error in the incorporation documents, this Court, in exercise of the power conferred by section 61 of the Companies Act, 1994 read with Rules 23 and 24 of the Companies Rules, 2009, hereby dispenses with the requirement of adding the words "**and reduced**" after the name of the petitioner company.

However, the petitioner company shall disclose this reduction whenever such disclosure is required under any law or whenever the same becomes material for any statutory, regulatory or contractual purpose.

(iv) The Registrar of Joint Stock Companies and Firms (RJSC), Bangladesh, is directed to register and record this Order in accordance with

section 65 of the Companies Act, 1994 and to give full effect to the reduction of share capital hereby confirmed.

(v) The Registrar of Joint Stock Companies and Firms (RJSC) is further directed to rectify and amend the statutory records of the petitioner company by making the following corrections:

(a) Schedule-X dated 09.11.2021 shall stand corrected by recording the paid-up capital of the petitioner company as Tk.1,00,00,000/- (Taka One Crore) divided into 10,00,000 ordinary shares of Tk.10/- each in place of Tk.10,00,00,000/- (Taka Ten Crore) divided into 1,00,00,000 ordinary shares.

(b) Schedule-X dated 30.11.2022 shall stand corrected by recording the paid-up capital of the petitioner company as Tk.6,00,00,000/- (Taka Six Crore) divided into 60,00,000 ordinary shares of Tk.10/- each after giving effect to the Return of Allotment dated 25.06.2022, in place of Tk.15,00,00,000/- divided into 1,50,00,000 ordinary shares.

(c) Schedule-X dated 22.10.2023 shall stand corrected by recording the paid-up capital of the petitioner company as Tk.10,00,00,000/- (Taka Ten Crore) divided into 1,00,00,000 ordinary shares of Tk.10/- each after giving effect to the Return of Allotment dated 30.07.2023, in place of Tk.19,00,00,000/- divided into 1,90,00,000 ordinary shares.

(vi) The Registrar of Joint Stock Companies and Firms (RJSC) is further directed to make all consequential corrections, amendments, endorsements and necessary modifications in its statutory registers, electronic database, digital records, certificates, corporate profile and every

other record maintained by it so that the records of the petitioner company accurately reflect the subscribed and paid-up capital of the company in conformity with this Judgment and Order.

(vii) The Registrar shall also give effect to the subsequent lawful allotments of shares made by the petitioner company through the Returns of Allotment dated 25.06.2022, 30.07.2023 and 28.04.2025 on the basis of the corrected original subscribed capital and shall ensure that the capital structure appearing in the records maintained by the Registrar corresponds with the audited financial statements of the petitioner company.

(viii) The petitioner company shall file a certified copy of this Judgment and Order before the Registrar of Joint Stock Companies and Firms in compliance with section 65(1) of the Companies Act, 1994 within three (03) weeks from the date of drawing up of this Order.

(ix) The petitioner company shall publish notice of the reduction of share capital, as confirmed by this Court, in two widely circulated national daily newspapers, one in Bangla and one in English, within thirty (30) days from the date of obtaining the certified copy of this Judgment and Order and shall thereafter file an affidavit-in-compliance before this Court.

(x) The petitioner company shall complete all consequential statutory formalities under the Companies Act, 1994, the Companies Rules, 2009 and all other applicable laws and regulations within the time prescribed by law.

(xi) It is made clear that this Judgment shall not be construed as validating or invalidating any corporate act, statutory filing, allotment of shares or financial transaction of the petitioner company except to the extent

specifically dealt with herein. All subsequent allotments, annual returns and statutory filings shall continue to operate in accordance with law, subject only to the corrections directed by this Judgment.

**8.** The petitioner has expressed its willingness to make a voluntary charitable contribution. The petitioner is desirous, to donate Tk.1,00,000/- by way of Pay Order in favour of “Mosjide Omar Ibnul Khattab” Account No. 9901188594609, Al-Arafah Islami Bank Limited, Barishal Branch, Barishal and upon production of the receipt thereof, the office shall draw up the order, if so, prayed for.

**9.** There shall be no order as to costs.

**10.** The office is directed to send down the record to the Registrar of Joint Stock Companies and Firms as well as communicate this Judgment and Order forthwith for information and necessary action.

**(Sikder Mahmudur Razi, J.)**