

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

Present:

**Mr. Justice Md. Toufiq Inam.**

**COMPANY MATTER NO. 573 OF 2026.**

**IN THE MATTER OF:**

An application under section 233 of the  
Companies Act, 1994.

**AND**

**IN THE MATTER OF:**

Shaila Shelley Khan and others.

----- Petitioners.

-VERSUS-

Premier Bank PLC and others.

----- Respondents.

Mr. Sheikh Mohammad Morshed,

Mr. Syed Ahmed Raza and

Mr. Raghiv Rauf Chowdhury, Senior Advocates

----- For the Petitioners.

Mr. Ahsanul Karim, and

Mr. Mohammad Arshadur Rouf, Senior Advocates  
with

Mr. Aminul Haque,

Mr. Chowdhury Mokimuddin KJ Ali,

Mr. Md. Mamonor Rashid, and

Mr. Md. Dedar Bhuiya, Advocates

----- For the Respondents.

**Judgment Delivered On 24.06.2026.**

**Md. Toufiq Inam, J:**

This application under section 233 of the Companies Act, 1994 has  
been filed by the petitioners claiming to be minority shareholders of

respondent No. 1, Premier Bank PLC, alleging oppression, mismanagement and conduct prejudicial to the interests of the shareholders by the newly reconstituted Board of Directors of the Bank.

This Court, by order dated 21.05.2026, issued a Show Cause Notice upon the respondents to show cause as to why the application should not be admitted and, at the same time, directed the parties to maintain status quo in respect of the present Head Office of the Premier Bank at IQBAL CENTRE, Banani, Dhaka. The respondents entered appearance and filed a written objection contesting the maintainability and merit of the application and opposing its admission. Mr. Ahsanul Karim and Mr. Mohammad Arshadur Rouf, learned Senior Advocates appearing on behalf of the respondents, advanced detailed submissions in support of the written objection and prayed for rejection of the application summarily.

Conversely, Mr. Sheikh Mohammad Morshed, Mr. Syed Ahmed Raza and Mr. Raghbir Rauf Chowdhury, learned Senior Advocates appearing on behalf of the petitioners, made elaborate and comprehensive submissions in support of the application and urged this Court to admit the application.

The principal grievance of the petitioners relates to the decision of the Board regarding continuation of tenancy, payment of rent and relocation of the Head Office of the Bank from IQBAL CENTRE, Banani, Dhaka, to another premises situated at Tejgaon. According to the petitioners, the impugned decision was taken in an arbitrary and unreasonable manner, contrary to the best interests of the Bank

and its shareholders. It is contended that the relocation of the Head Office from a well-established commercial location to a comparatively less advantageous location would adversely affect the business operations, reputation and commercial prospects of the Bank, thereby causing prejudice to the interests of the shareholders and other stakeholders.

The petitioners further submit that the decision was neither commercially prudent nor financially beneficial and was undertaken without due regard to the long-term interests of the institution. According to them, the conduct of the newly constituted Board demonstrates a pattern of actions detrimental to the interests of the Bank and its shareholders, thereby attracting the jurisdiction of this Court under section 233 of the Companies Act, 1994.

In support of their contention that the affairs of the Bank are being conducted in a manner prejudicial to shareholders, the petitioners have also relied upon the audited financial statements of the Bank for the years 2021–2024. It is submitted that the financial statements disclose a marked deterioration in the financial condition of the Bank, particularly during the financial year 2024. Although the Bank's Net Interest Income increased from BDT 413.82 crore in 2023 to BDT 500.76 crore in 2024, its overall profitability weakened considerably. Operating Profit declined from BDT 982.30 crore in 2022 to BDT 769.35 crore in 2024, while Net Profit after Tax fell sharply, resulting in Earnings Per Share (EPS) declining from 3.37 to 1.09.

The petitioners place particular emphasis on the substantial increase in provisions during the year 2024. Total provisions rose to BDT

633.38 crore, including specific provisions against loans and advances amounting to BDT 468.81 crore. According to the petitioners, such extensive provisioning reflects a serious deterioration in asset quality and a significant increase in non-performing or high-risk loans. It is contended that this has materially eroded the profitability and financial stability of the Bank.

The petitioners further submit that the audited financial statements of the Bank for the years 2021–2024 reveal a marked deterioration in its financial health, which, according to them, has adversely affected the value of their shareholding. It is contended that although Net Interest Income increased from BDT 413.82 crore in 2023 to BDT 500.76 crore in 2024, the Bank's overall profitability weakened significantly, with Operating Profit declining from BDT 982.30 crore in 2022 to BDT 769.35 crore in 2024. The petitioners particularly rely on the substantial increase in total provisions, which rose to BDT 633.38 crore in 2024, including BDT 468.81 crore in specific provisions against loans and advances, indicating, according to them, deterioration in asset quality and increased exposure to non-performing loans. Consequently, Net Profit after Tax declined sharply, resulting in Earnings Per Share (EPS) falling from 3.37 to 1.09. The petitioners further point to the negative Net Cash Flow from Operating Activities amounting to BDT 561.78 crore as evidence of liquidity stress. It is also their case that despite expanding its loan portfolio to BDT 32,236.46 crore, the Bank's shareholders' equity declined from BDT 2,722.84 crore to BDT 2,680.44 crore due to a reduction in retained earnings, causing the Net Asset Value (NAV) per share to decrease from 22.08 to 21.73. On the basis of these financial indicators, the petitioners contend

that the Bank's financial position has materially weakened, thereby eroding shareholder value and prejudicially affecting their proprietary and economic interests as shareholders.

On the other hand, Mr. Ahsanul Karim and Mr. Mohammad Arshadur Rouf, learned Senior Advocates appearing on behalf of the respondents, submit that the entire application is misconceived both in fact and in law. According to the learned Advocates, the substance of the grievance raised by the petitioners relates to the decision of the Board regarding continuation of tenancy, payment of rent and relocation of the Head Office of the Bank. Such matters, it is argued, are essentially managerial and commercial decisions falling squarely within the authority and discretion of the Board of Directors and do not, by themselves, constitute oppression of minority shareholders or mismanagement within the meaning of section 233 of the Companies Act, 1994.

The learned Advocates for the respondents further submit that the decision to relocate the Head Office was taken after careful consideration of the financial implications involved and was motivated by the objective of reducing operational expenditure and promoting the overall interests of the Bank. It is contended that the proposed premises at Tejgaon would substantially reduce rental expenses and thereby contribute to greater financial efficiency.

It is further submitted that the decision was not taken unilaterally but was placed before the regulatory authority, namely Bangladesh Bank, which, upon consideration of the relevant materials including inspection reports and other regulatory findings, granted approval or no-objection for the relocation. According to the respondents,

concerns had been raised by regulatory authorities regarding the tenancy arrangements at IQBAL CENTRE and the financial burden arising therefrom. The impugned decision was therefore taken in furtherance of sound banking practice, financial prudence and regulatory compliance.

The respondents also contend that the financial indicators relied upon by the petitioners do not establish any case of oppression or mismanagement. According to them, fluctuations in profitability, provisioning requirements, cash flows and shareholders' equity are matters arising from the ordinary course of banking business and are influenced by a variety of market, economic and regulatory factors. Such matters, even if assumed to be adverse, cannot by themselves furnish a cause of action under section 233 unless there is a clear demonstration of unfair prejudice, lack of probity or infringement of shareholder rights.

The learned Advocates finally submit that the present proceeding is, in substance, an attempt to challenge a commercial decision of the Board and to ventilate disputes arising out of tenancy arrangements relating to IQBAL CENTRE. Such disputes, according to them, are contractual and commercial in nature and lie outside the limited jurisdiction conferred upon this Court under section 233 of the Companies Act, 1994.

Having heard the learned Advocates for the parties and having considered the materials on record, this Court proceeds to examine whether the allegations made in the application disclose a case warranting interference under section 233 of the Companies Act, 1994.

At the outset, it is necessary to bear in mind the nature and scope of the jurisdiction conferred under section 233 of the Companies Act, 1994. The provision is intended to afford protection to shareholders against acts of oppression, mismanagement and unfairly prejudicial conduct in the affairs of a company. The jurisdiction is equitable in nature and is exercisable where the affairs of a company are conducted in a manner that unfairly affects the proprietary or participatory rights of shareholders in their capacity as members of the company. It is not designed to convert the Company Court into a supervisory authority over every commercial, administrative or managerial decision taken by the Board of Directors in the ordinary course of business. Unless it is demonstrated that the impugned acts are oppressive, discriminatory, mala fide, fraudulent or unfairly prejudicial to shareholders as shareholders, judicial intervention under section 233 is not warranted.

Upon a careful examination of the application, it appears that the principal grievance of the petitioners relates to the decision of the reconstituted Board of Directors of respondent No. 1 Bank regarding continuation of tenancy, payment of rent and eventual relocation of the Head Office from IQBAL CENTRE, Banani, Dhaka to another premises. The pleadings contain detailed references to the tenancy arrangements, negotiations concerning reduction of rent, correspondence exchanged between the Bank and Bangladesh Bank, notices relating to termination of lease agreements and the circumstances leading to the relocation decision. The foundation of the petition is therefore centered upon the propriety and wisdom of a commercial decision taken by the

Board concerning the location of the Bank's Head Office and the financial implications arising therefrom.

The Court is unable to discern how such matters, by themselves, constitute oppression of minority shareholders or mismanagement affecting shareholder rights within the meaning of section 233. Decisions relating to the selection of business premises, continuation or termination of tenancy arrangements, determination of rental liabilities and relocation of operational facilities ordinarily fall within the sphere of corporate management and business judgment. Such decisions are entrusted by law to the Board of Directors and management of the company. Courts exercising jurisdiction under section 233 do not sit in appeal over the commercial wisdom of directors merely because some shareholders disagree with a particular business decision.

The materials before the Court further disclose that the proposal to relocate the Head Office was not undertaken in isolation. It appears that the matter was placed before Bangladesh Bank and the regulatory authority granted approval or no-objection for the proposed relocation. The respondents have further referred to inspection reports, forensic findings and supervisory concerns regarding the rental arrangements of IQBAL CENTRE and the financial burden allegedly imposed upon the Bank. Whether those concerns are ultimately justified or otherwise is not a matter requiring adjudication in the present proceeding. Their existence, however, demonstrates that the impugned decision was taken in the context of considerations relating to financial prudence, regulatory compliance and operational efficiency. Such considerations lie

squarely within the managerial domain of the Board and the regulatory oversight of Bangladesh Bank.

The petitioners further submit that the audited financial statements of the Bank for the years 2021–2024 reveal a marked deterioration in its financial health, which, according to them, has adversely affected the value of their shareholding. The financial position of the Bank has materially weakened, thereby eroding shareholder value and prejudicially affecting their proprietary and economic interests as shareholders.

This Court has carefully considered the aforesaid submissions. Even assuming the correctness of the figures relied upon by the petitioners, the same do not, by themselves, establish oppression, mismanagement or unfair prejudice within the meaning of section 233. Financial deterioration, decline in profitability, reduction in earnings, increase in provisioning requirements or erosion of shareholder value may result from a variety of commercial, economic, market and regulatory factors. Such circumstances, without more, do not establish that the affairs of the company are being conducted oppressively or in a manner prejudicial to shareholders as members of the company.

To attract section 233, it must be shown that the impugned conduct unfairly affects shareholder rights, that the affairs of the company are being conducted in a manner lacking in probity, or that a section of shareholders is being unfairly disadvantaged for the benefit of another. The petitioners have not alleged that their shareholding has been diluted, that they have been denied rights attached to their shares, that they have been excluded from participation in corporate

affairs contrary to law, that corporate assets have been diverted for private benefit, or that the impugned decisions confer an unfair advantage upon any particular group of shareholders. At its highest, the petitioners' case amounts to a challenge to the commercial wisdom of the Board and an apprehension regarding the future financial consequences of its decisions.

Another aspect which cannot be overlooked is that the persons directly affected by the impugned decision regarding termination of lease agreements and relocation of the Head Office are the landlords of IQBAL CENTRE. Questions concerning continuation of tenancy, entitlement to rent, validity of termination notices and enforcement of lease obligations arise from contractual arrangements between the Bank and the landlords. Such rights and liabilities belong to the contracting parties themselves. Shareholders cannot invoke section 233 as a vehicle to litigate contractual disputes belonging to third parties.

The respondents have also asserted that the petitioners are closely associated with the former Chairman and persons connected with IQBAL CENTRE and that the present proceeding is, in substance, intended to protect interests arising from the tenancy arrangement rather than the interests of minority shareholders. This Court does not consider it necessary to make any conclusive finding regarding such allegations. Nevertheless, the pleadings reveal that a substantial portion of the petition is devoted to the tenancy arrangements and rental issues concerning IQBAL CENTRE, whereas there is no corresponding allegation of any direct infringement of shareholder rights. The nature of the grievances advanced thus reinforces the conclusion that the dispute is

essentially commercial and contractual rather than one involving oppression of minority shareholders.

The Court is also mindful that respondent No. 1 is a banking company operating within a highly regulated sector under the supervision and control of Bangladesh Bank pursuant to the provisions of the Bank Companies Act, 1991 and the regulatory framework governing banking institutions. Matters relating to the governance, financial stability, regulatory compliance and operational management of a banking company are subject to continuous oversight by Bangladesh Bank. To the extent that the petitioners seek to challenge actions taken by the reconstituted Board following regulatory intervention by Bangladesh Bank, such matters cannot ordinarily be examined through the limited jurisdiction conferred by section 233 of the Companies Act.

Having considered the pleadings, submissions, and materials on record, this Court finds no allegation or prima facie material demonstrating that the affairs of respondent No. 1 Bank are being conducted in a manner amounting to oppression of minority shareholders, mismanagement, or unfair prejudice within the meaning of section 233 of the Companies Act, 1994. The grievances raised by the petitioners are essentially managerial, commercial, and contractual in nature and do not attract the jurisdiction contemplated under the said provision. **Accordingly, this Court finds no ground to admit the application.**

Nevertheless, this Court cannot remain unmindful of the concerns expressed regarding the financial condition, governance and future stability of the Bank. A banking company occupies a position of

public confidence and trust. Its affairs affect not only shareholders but also depositors, consumers, creditors and the financial system at large. It is therefore imperative that the affairs of the Bank be conducted with utmost transparency, accountability, prudence and strict compliance with the applicable laws and regulatory requirements.

Accordingly, while no case has been made out for granting relief under section 233 of the Companies Act, 1994, Bangladesh Bank is expected to continue exercising its statutory supervisory and regulatory functions in accordance with law and to take such measures as may be necessary to ensure sound governance, financial discipline and regulatory compliance.

The Board of Directors and management of respondent No. 1 Bank are also directed to conduct the affairs of the Bank strictly in accordance with the Companies Act, 1994, the Bank Companies Act, 1991, the rules, regulations, circulars and directives issued by Bangladesh Bank and other applicable laws, keeping paramount consideration to the best interests of the Bank, its shareholders, depositors, consumers and all other stakeholders.

**In the result, the application is summarily disposed of with the above observations and directions. The interim order of status quo granted earlier stands vacated.**

There shall be no order as to costs.

**(Justice Md. Toufiq Inam)**