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

COMPANY MATTER NO. 693 OF 2026

IN THE MATTER OF:
An application under sections 81(2) and 85(3) of the Companies Act, 1994.

AND

IN THE MATTER OF:
Abdullah Ahmed
...Petitioner

-Versus-

The Registrar, Joint Stock Companies and Firms and others
...Respondents

Mr. Shibbir Ahmad, Advocate
....For the petitioner

Mr. A.K.M. Badruddoza, Sr. Adv. with
Mr. Syed Fazla Elahi Obhi, Adv.
...For respondent Nos. 2 and 5

Date of Hearing: 4th August, 2026
And
Date of Judgment: The 9th August, 2026

Present:
Justice Sikder Mahmudur Razi

1. This application has been filed under sections 81(2) and 85(3) of the Companies Act, 1994 by a permanent member of Sylhet Station Club Ltd., a company limited by guarantee. The petitioner seeks, in substance, declarations that the proceedings and resolutions of the Annual General Meeting held on 27.12.2025 are invalid; that the Executive Committee elected for the calendar year 2026 is unlawful and defunct; and a direction for holding afresh the Annual General Meetings for the years 2021 to 2025 under the supervision of an independent Chairman appointed by this Court. Consequential interim reliefs were also prayed for.

2. The material facts are substantially undisputed. At the election held in the AGM dated 27.12.2025, Mr. Shah Md. Mosahid Ali and Mr. Shahrukh Ahmed Shakka each secured 109 votes for the office of President. Article 71(5) of the Articles of Association provides for a toss where there is equality of votes. Instead, the members present unanimously resolved that Mr. Mosahid Ali would act as President during the first six months and Mr. Shahrukh Ahmed Shakka during the remaining six months of the tenure. Both candidates accepted that arrangement and addressed the members. The petitioner was present at the meeting and raised no contemporaneous objection.

3. Thereafter, the Vice-President, Mr. Faruq Ahmed, resigned on 09.03.2026 and Mr. Mosahid Ali resigned as President on 10.03.2026. The petitioner contends that, by operation of Article 35(1), the offices of President and Vice-President thereby became vacant together and the entire Executive Committee automatically ceased to exist. The respondents dispute that consequence on the ground that Mr. Shahrukh Ahmed Shakka remained an elected President under the arrangement adopted by the general body and assumed charge on 01.07.2026 for the latter half of the tenure.

4. A further controversy concerns the annual accounts and statutory filings. The petitioner asserts that, after the AGM for 2020, no AGM or annual return for the years 2021 to 2025 was recorded with the Registrar of Joint Stock Companies and Firms and that the audit report for 2025 was not supported by a timely Document Verification Code (DVC). The respondents, on the other hand, state that the AGMs for the years 2021 to 2025 were duly held on 30.11.2021, 30.11.2022, 30.06.2023, 30.06.2024 and 27.12.2025 respectively; that the audited accounts were approved; and that the subsequent filings remained incomplete because the office-bearers concerned, including the petitioner for the years 2023 and 2024, did not sign the requisite documents despite written requests.

Submissions on behalf of the petitioner

5. Mr. Shibbir Ahmad, the learned Advocate appearing for the petitioner, submits that the composition of the Executive Committee for 2026 was contrary to the Articles of Association. Article 71(5) expressly required the tie for the office of President to be resolved by a toss; the general body had no authority to substitute a division of the tenure. The resulting election and composition of the Executive Committee were, therefore, illegal.

6. The learned Advocate next submits that, even if the arrangement were initially capable of recognition, the subsequent resignations of the acting President and the Vice-President attracted Article 35(1) and caused the Executive Committee to become defunct. It was consequently impracticable to call or conduct a lawful general meeting through the ordinary machinery of the Club, thereby attracting section 85(3) of the Act.

7. He further submits that the accounts and audit reports were not prepared in accordance with law, particularly because a proper DVC had not been obtained before finalisation of the audit report for 2025. The AGM could not lawfully approve such financial statements. Since the outcomes, audit reports and statutory returns for 2021 to 2025 had not been recorded by the RJSC, fresh AGMs under the supervision of an independent Chairman were necessary to restore lawful administration.

Submissions on behalf of respondent Nos. 2 and 5

8. Per contra, Mr. A.K.M. Badruddoza, the learned Senior Advocate appearing for respondent Nos. 2 and 5, submits that the application is misconceived and lacks bona fides. The petitioner attended the AGM dated 27.12.2025 and accepted without objection the unanimous arrangement concerning the two candidates. He approached this Court only after Mr. Mosahid Ali, with whom he was aligned, resigned. The petitioner cannot now invoke the same arrangement to unsettle the election and create a deadlock in the affairs of the Club.

9. The learned Senior Advocate submits that Article 35(1) is not attracted. When the Vice-President and Mr. Mosahid Ali resigned on successive dates, Mr. Shahrukh Ahmed Shakka remained elected to the office of President and was due to assume charge for the latter six months. Thus, the offices of President and Vice-President did not both become vacant in the sense contemplated by Article 35(1), and the Executive Committee did not automatically stand dissolved.

10. He further submits that AGMs for 2021 to 2025 were in fact held and the accounts were approved. The omission was in the subsequent filing of annual returns. The petitioner himself served as a member of the Executive Committee during 2023 and 2024 and failed to sign the requisite documents when requested. A failure of filing cannot be equated with a failure to hold an AGM, and it provides no basis for convening the meetings afresh.

11. As regards the DVC, the learned Senior Advocate states that DVCs for 2021 to 2024 were duly obtained and that the DVC for 2025 was obtained subsequently. He fairly accepts that the delay was an irregularity, but submits that it is curable. Relying on section 192(2) of the Act and the decision in *Md. Miarul Haque v. DHL Worldwide Express (Bangladesh) Private Limited and others*, 76 DLR (2024) 155, he submits that any deficiency in the accounts may be regularised and placed before a duly convened extraordinary general meeting, where required; it does not nullify the AGM itself.

12. Finally, he submits that section 85(3) is attracted only where it is impracticable to call or conduct a meeting in the manner prescribed by the Articles or the Act. Here the AGM was called and held, an Executive Committee is functioning, and corrective corporate action remains available. He accordingly prays for dismissal of the application with costs.

Findings and decision

13. I have heard the learned Advocates for the respective parties, perused the petition and the affidavit-in-opposition together with the documents annexed thereto, and considered the relevant provisions of the Companies Act, 1994 and the Articles of Association of the Club.

14. The questions requiring determination are: first, whether the departure from Article 71(5) in resolving the tied election renders the entire AGM and the Executive Committee void; secondly, whether the subsequent resignations caused the Executive Committee automatically to become defunct under Article 35(1); thirdly, whether the alleged defects in the accounts, DVC and statutory filings require the AGMs for 2021 to 2025 to be held afresh; and finally, whether a case of impracticability within section 85(3) has been established.

15. At the outset, it needs to be borne in mind that every irregularity committed in holding or conducting a general meeting does not necessarily render the meeting itself void. The consequence of an irregularity must depend upon its nature, the provision allegedly violated, the prejudice caused thereby and, importantly, whether the defect goes to the root of the meeting or is capable of subsequent rectification.

16. The principal grievance of the petitioner concerns the arrangement whereby two candidates, having secured an equal number of votes for the office of President, were permitted to discharge the functions of that office for successive periods of six months each, instead of determining the result by a toss as contemplated by Article 71(5) of the Articles of Association. The materials before this Court show that the arrangement was adopted openly following the election, with the unanimous concurrence of the members present, and was accepted and acted upon by both candidates. The arrangement undoubtedly constituted a departure from Article 71(5). It did not, however, purport formally to amend the Articles; nor does such departure, in the absence of any demonstrated prejudice, necessarily invalidate the AGM, the election or every resolution adopted therein. Significantly, although the petitioner was present at the AGM, he raised no contemporaneous objection to the arrangement.

17. In such circumstances, the petitioner's acquiescence is materially relevant to the discretionary relief sought. Having allowed the arrangement to be implemented without objection, he cannot, after the resignation of Mr. Mosahid Ali, rely upon that departure to seek invalidation of the entire AGM and all actions subsequently taken by the Executive Committee, particularly when no material prejudice to the Club or its members has been demonstrated. While exercising jurisdiction in company matters, the Court should be slow to undo completed corporate proceedings merely on account of an irregularity which has not been shown to have materially affected the election or caused substantial prejudice to the members.

18. The subsequent resignation of Mr. Shah Md. Mosahid Ali also does not, in the facts and circumstances of the present case, lead to the conclusion that the entire Executive Committee automatically stood dissolved. The other candidate, Mr. Shahrukh Ahmed Shakka, had also been declared successful for the post of President and was recognised under the arrangement adopted following the election as the person entitled to discharge the functions of President during the latter part of the tenure. He has since assumed office and is presently functioning as President. Therefore, this Court is unable to accept the contention that the resignation of one of the persons declared successful for the post of President, together with the resignation of the Vice-President, necessarily brought the existence of the entire Executive Committee to an end. The submission of Mr. Shibbir Ahmed, therefore, cannot be accepted.

19. There is another important aspect of the matter which cannot be overlooked. The petitioner also seeks to question the regulatory compliance relating to the years 2021 to 2024, although he himself was associated with the Executive Committee, particularly during the years 2023 and 2024. The respondents specifically contend that the AGMs for those years were in fact held, but the relevant returns could not subsequently be submitted to and recorded by the RJSC because the petitioner and the then President, Mr. Shah Md. Mosahid Ali as well as some other members did not sign the requisite consent form and other statutory returns.

20. Therefore, a clear distinction has to be drawn between failure to hold an AGM and failure to complete the subsequent statutory filing and recording of the outcome of an AGM**.** The latter, by itself, does not establish that the AGM was never held, nor does it necessarily require the AGM to be held afresh. The failure to complete the regulatory formalities following an AGM cannot, without anything more, be equated with the failure to hold the AGM itself.

21. Furthermore, section 81(2) is attracted where default has been made in holding an AGM in accordance with section 81. In the present case, the materials do not establish that the AGMs in question were not held. The failure subsequently to file or record the relevant returns with the RJSC cannot, without more, be treated as a default in holding the meetings themselves. The jurisdiction under section 81(2), therefore, does not arise merely because the post-meeting statutory filings remain incomplete.

22. This distinction assumes particular importance in the present case because the object of the statutory provisions is to ensure compliance and regularity in the affairs of a company rather than unnecessarily to reopen completed corporate proceedings. Where an AGM has already been held and the defect relates to subsequent compliance, filing or financial reporting, the first consideration should be whether such defect is capable of being rectified through subsequent lawful corporate action.

23. The objection concerning the audit reports and financial statements has also to be considered from the same perspective. There can be no dispute that the preparation, audit, approval and filing of financial statements must conform to the applicable statutory and professional requirements. However, non-compliance at one stage of that process does not necessarily lead to the consequence that the AGM itself becomes void or nonexistent.

24. In this regard, the decision in *Md. Miarul Haque v. DHL Worldwide Express (Bangladesh) Private Limited and others*, reported in 76 DLR (2024) 155: LEX/BDHC/0163/2022, as cited by the learned Senior Advocate for the respondent, assumes seminal importance. In the said decision, this Court, upon considering sections 183, 184 and 396 of the Companies Act, 1994 together with the relevant provisions of Schedule-I thereto, held that where a company has held its AGM without placing the financial report before the members, the omission does not necessarily require the AGM itself to be held afresh. Rather, the financial report may be laid before the general shareholders in a subsequently convened EGM, subject to compliance with the applicable statutory requirements.

24.1 Earlier, in *BLI Securities Limited v. Dhaka Stock Exchange Limited and others*, reported in 29 BLC (2024) 462: LEX/BDHC/0238/2019, this Court also took the view that a company is required to hold one Annual General Meeting (AGM) in each Gregorian calendar year. Where an AGM is held belatedly, it is legally attributable to the calendar year in which it ought to have been held. The preparation and presentation of financial statements are not conditions precedent to the holding of an AGM; failure in that regard may attract the statutory consequences prescribed by law, but does not, by itself, invalidate the AGM. The Company Court may grant permission for holding delayed AGMs and issue such ancillary directions as may be necessary, including permitting a particular numbering of the AGMs for administrative convenience, provided that each AGM is correctly attributed to the corresponding calendar year.

25. The above principle has direct relevance to the present controversy. It demonstrates that the law recognizes a distinction between an irregularity concerning the financial report and the legal existence of the general meeting itself. Therefore, even if there has been an irregularity in relation to the financial statements or audit report, the necessary consequence is not cancellation of the AGM. If the defect is otherwise capable of being rectified in accordance with law, the proper course would be to require such rectification rather than to invalidate the entire corporate proceeding.

26. So far as DVC is concerned, the respondents assert that DVCs for the years 2021 to 2024 were duly obtained and that the DVC for the year 2025 was obtained subsequently. Even assuming that the DVC for 2025 was not obtained at the prescribed stage, the petitioner has not demonstrated that such irregularity, by itself, nullified the AGM or the election held therein.

27. Thus, the contention that the AGM for the year 2025 must be cancelled merely because of an irregularity concerning the audit report, financial statements or DVC cannot be accepted. The submission of Mr. Badruddoza, the learned Senior Advocate, that such regulatory and financial irregularities should first be brought into compliance through appropriate lawful measures, including a duly convened EGM where permissible and necessary, appears to this Court to be more consistent with the statutory scheme and the principle recognized in the case of *Md. Miarul Haque Vs. DHL Worldwide Express (Bd*) Pvt. Ltd. & others.

28. The conduct of the petitioner is also relevant in considering the discretionary relief sought in this proceeding. The petitioner was associated with the management of the Club during the period relating to the earlier AGMs and was also present at the AGM for the year 2025 when the arrangement concerning the office of President was made. Yet, no contemporaneous objection to such arrangement appears to have been raised by him. It is only after the subsequent resignation of Mr. Shah Md. Mosahid Ali that the petitioner has sought to challenge the arrangement and, on that basis, to invalidate the AGM itself. Moreover, upon examining Annexures F to F-2 to the petition, it appears that the petitioner is, in substance, echoing the design and position of Mr. Shah Md. Mosahid Ali.

29. At the same time, the petitioner seeks permission for holding afresh the AGMs for the years 2021 to 2024 on the ground that the relevant returns were not recorded by the RJSC, notwithstanding the specific assertion of the respondents that those AGMs had already been held and that the subsequent filing could not be completed due, inter alia, to the petitioner's own failure to sign the requisite documents. These circumstances materially weaken the *bona fides* of the petitioner's claim.

30. The jurisdiction of the Company Court is intended to remove genuine legal impediments, restore statutory compliance and facilitate lawful corporate administration. Such jurisdiction should not be invoked in a manner which, instead of curing an existing irregularity, would create a further deadlock in the administration of the company. Where an irregularity is capable of being corrected without disturbing completed corporate proceedings, the Court should ordinarily prefer a course which restores compliance and preserves continuity in the management of the company.

31. It is also pertinent that the statutory provisions governing AGMs, accounts, audit and filing of returns are intended to secure orderly corporate governance, regulatory compliance and accountability. The Court should therefore adopt a course which advances those objects rather than one which unnecessarily creates further uncertainty in the administration of the Club. In the present case, setting aside an AGM which was duly called and held, and thereby displacing the presently functioning Executive Committee, merely on account of irregularities which are capable of being otherwise addressed in accordance with law, would create further uncertainty and regulatory deadlock rather than resolve the existing difficulties.

32. On an overall consideration, I find the submissions advanced on behalf of respondent Nos. 2 and 5 to be more cogent. The petitioner has failed to establish that the departure from Article 71(5), the resignations, the delayed DVC or the outstanding statutory filings rendered the AGM dated 27.12.2025 or any previous AGMs void, automatically dissolved the Executive Committee, or made it impracticable to call or conduct a meeting. The substantive and consequential reliefs sought cannot, therefore, be granted. The conduct of the petitioner materially weakens his claim to discretionary relief.

33. The application is accordingly liable to be dismissed with costs.

Order

34. The application is dismissed with costs of Tk. 50,000/- (Taka fifty thousand) payable by the petitioner to respondent No. 2 within one month from the date of receipt of a copy of the judgment. An affidavit of compliance shall be filed within one week thereafter. All interim orders, if any, stand recalled and vacated.

Communicate a copy of this judgment to all concerned at once.

(Sikder Mahmudur Razi, J)