



## **FAQ on holding Board Meetings under the Companies Act, 1994**

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At the outset, it should be noted that all the powers vested in directors are exercisable by them collectively, acting together, unless such powers have been delegated to one or more Directors by the Board. The Articles of Association of the company or members of the company in a General Meeting may also authorise any of the Directors or a Committee to exercise such powers as may be authorised.

### **1: Is holding board meetings mandatory?**

Yes, according to Section 96 of the Companies Act, 1994, every company in Bangladesh must hold a meeting of its Board of Directors at least once every three (3) months and at least four (4) such meetings should be held every year.

### **2 : How important is issuing notice prior to holding a board meeting?**

The Bangladesh Companies Act makes it mandatory to issue a notice in writing to every Director prior to holding a board meeting. Under Section 95 of the Companies Act, 1994 notice of every meeting of the board shall be given in writing to every Director for the time being in Bangladesh and at his/her address in Bangladesh. Such requirement however does not appear to extend the obligation to give fresh notice for an adjourned meeting for transaction of the unfinished business of the last meeting.

### **3 : Do minutes have to be maintained of a board meeting?**

Yes, Section 89(2) of the Companies Act, 1994 makes it mandatory for companies to record minutes of board meetings.

The law has laid the responsibility of ensuring minutes are made and maintained, on the Directors of the company

### **4 : What is the importance of minutes of a board meeting?**

When a company produces the minutes of proceedings of its board meetings signed by the Chairman, the minutes shall be evidence of the proceedings of the meetings.

### **5 : Can you challenge the resolutions taken and/or the minutes of a board meeting?**

Yes, however the onus is on the petitioners to show why the minutes of proceedings are not correct and until the petitioners so prove, the Court shall take the minutes of proceedings to be evidence of a duly held meeting.

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## **6 : What other considerations should be kept in mind?**

It is now a well settled principle in Bangladesh that the Courts are generally reluctant to interfere with the decisions taken at company meetings unless there is almost a manifest breach of the Articles or the Statute, because it is the company and not the Court which is responsible for its management.



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