

**THE INDUSTRIAL DEVELOPMENT CORPORATION
ORDINANCE, 1962**

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SCHEDULE

**THE INDUSTRIAL DEVELOPMENT CORPORATION
ORDINANCE, 1962**

ORDINANCE NO. XXXVII OF 1962

[4th June, 1962]

An Ordinance to establish an Industrial Development Corporation for ¹[Bangladesh].

WHEREAS it is expedient to provide for the establishment of an Industrial Development Corporation for the purpose of promoting the economic and industrial development of ²[Bangladesh] and for matters ancillary thereto;

NOW, THEREFORE, in pursuance of the Proclamation of the seventh day of October, 1958, and in exercise of all powers enabling him in that behalf, the President is pleased to make and promulgate the following Ordinance:-

1. ³[(1) This Ordinance may be called the Industrial Development Corporation Ordinance, 1962.

Short title,
extent and
commencement

(2) It extends to the whole of Bangladesh.]

(3) It shall come into force at once.

2. In this Ordinance, unless there is anything repugnant in the subject or context,-

Definitions

(a) “Board” means the Board of Directors of the Corporation;

(b) “Chairman” means the Chairman of the Corporation;

¹ The word “Bangladesh” was substituted for the words “East Pakistan” by Article 3 and the Schedule of the Bangladesh Industrial Development Corporation Order, 1972 (President’s Order No. 39 of 1972).

² The word “Bangladesh” was substituted for the words “East Pakistan” by Article 3 and the Schedule of the Bangladesh Industrial Development Corporation Order, 1972 (President’s Order No. 39 of 1972).

³ Sub-sections (1) and (2) were substituted by Article 3 and the Schedule of the Bangladesh Industrial Development Corporation Order, 1972 (President’s Order No. 39 of 1972).

¹[(c) “Corporation” means the Bangladesh Industrial Development Corporation;]

(d) “Director” means the Director of the Corporation;

²[(e) “Government” means the Government of the People’s Republic of Bangladesh;]

(f) “Minerals” means all minerals excluding minerals necessary for the generation of nuclear energy and mineral oil and natural gas;

(g) “prescribed” means prescribed by rules or regulations;

(h) “regulations” means regulations made under this Ordinance;

(i) “rules” means rules made under this Ordinance.

Establishment
of the
Corporation and
its offices

3. (1) As soon as may be after the commencement of this Ordinance, the Government shall establish a corporation to be called the ³[Bangladesh] Industrial Development Corporation.

(2) The Corporation shall be a body corporate by the name of the ⁴[Bangladesh Industrial Development Corporation], having perpetual succession and a common seal with power, subject to the provisions of this Ordinance, to acquire and hold property, both movable and immovable, and shall by the said name sue and be sued.

(3) The Head Office of the Corporation shall be at Dacca but the Government may, by notification in the *official Gazette*, transfer it to such other place as may be specified in such notification.

¹ Clause (c) was substituted by Article 3 and the Schedule of the Bangladesh Industrial Development Corporation Order, 1972 (President’s Order No. 39 of 1972).

² Clause (e) was substituted by Article 3 and the Schedule of the Bangladesh Industrial Development Corporation Order, 1972 (President’s Order No. 39 of 1972).

³ The word “Bangladesh” was substituted for the words “East Pakistan” by Article 3 and the Schedule of the Bangladesh Industrial Development Corporation Order, 1972 (President’s Order No. 39 of 1972).

⁴ The words “Bangladesh Industrial Development Corporation” were substituted for the words and comma “Industrial Development Corporation, East Pakistan” by Article 3 and the Schedule of the Bangladesh Industrial Development Corporation Order, 1972 (President’s Order No. 39 of 1972).

(4) The Corporation shall establish Regional Offices at such places as the Government may direct.

4. (1) The authorised share capital of the Corporation shall, in the first instance, be one crore of rupees divided into one hundred fully paid up shares of one lakh of rupees each, of which forty-five shares will be issued in the first instance and the remaining shares may be issued from time to time by the Corporation with the previous sanction of the Government.

Share Capital

(2) Nothing in sub-section (1) shall prevent the Corporation from increasing its capital with the previous sanction of the Government.

5. (1) The general direction and administration of the Corporation and its affairs shall vest in the Board which may exercise all powers and do all acts and things which may be exercised or done by the Corporation in accordance with the provisions of this Ordinance.

Management

(2) The Board, in discharging its functions shall act on commercial considerations and shall be guided by such directions as the Government may give it from time to time.

(3) If the Board fails to obey any direction as aforesaid, the Government may remove the Directors including the Chairman, and, notwithstanding anything in section 6, appoint persons in their place to be Directors temporarily until fresh Directors are appointed under that section.

6. (1) The Board shall consist of such number of Directors, not less than three and not more than five, as may be appointed by the Government.

Appointment and term of office of Directors

(2) Each Director shall-

- (a) be a whole-time officer of the Corporation;
- (b) perform such duties as the Board may, by regulations assign to him;
- (c) divest himself of any directorship or other interest held by him in any other Corporation, company or concern other than public companies sponsored by the Corporation under sub-section (5) of section 15 before assuming office as Director;

- (d) subject to the provisions of section 9, hold office for a term of three years and may be appointed thereafter for a further term or terms of such duration as the Government may, in appointing him thereto, determine; and
- (e) receive such salary and allowances as the Government may determine:

Provided that the Government may, in exceptional circumstances where it considers it necessary to do so in the public interest, exempt, by a special order, any person, who has been appointed or is about to be appointed a Director, from the application of clauses (a) and (c).

(3) One of the Directors appointed under sub-section (1) shall be the Financial Director, who shall exercise such powers and discharge such duties as may be prescribed.

Chairman

7. (1) The Government shall appoint one of the Directors to be the Chairman of the Board, who shall be the Chief Executive of the Corporation.

(2) Subject to his continuing to hold office as a Director, the Chairman shall hold office as Chairman for a term of three years and, subject as aforesaid, shall remain in office as Chairman thereafter until his successor in that office is appointed and may, subject as aforesaid, be appointed to hold that office for a further term or terms as the Government may, in appointing him thereto, determine.

Tenure of the
Chairman and
Directors

8. Notwithstanding anything contained in sections 6 and 7, when the Board is first constituted, the Chairman and Directors, shall hold office for such term, not exceeding three years, as may be determined by the Government:

Provided that such Chairman and Directors may be appointed to hold that office for a further term or terms as the Government may, in appointing him thereto, determine.

Disqualification
of Directors

9. (1) No person shall be or shall continue to be a Director who-

- (a) is or at any time has been convicted of an offence involving moral turpitude; or
- (b) is or at any time has been adjudicated insolvent; or

- (c) is found a lunatic or becomes of unsound mind; or
- (d) is or at any time has been disqualified for employment in, or dismissed from the service of ¹[Bangladesh]; or
- (e) is a minor.

(2) The Government may, by order in writing, remove the Chairman or a Director if he-

- (a) refuses or fails to discharge or becomes, in the opinion of the Government, incapable of discharging his responsibilities under this Ordinance; or
- (b) has, in the opinion of the Government, abused his position as Chairman or Director; or
- (c) has knowingly acquired or continued to hold, without the permission in writing of the Government, directly or indirectly, or through a partner, any share or interest in any contract or employment with, by or on behalf of the Corporation, or in any property which, in his knowledge, is likely to benefit or has benefited as a result of the operations of the Corporation; or
- (d) has absented himself from three consecutive meetings of the Board without the leave of the Government in the case of the Chairman, or of the Chairman in the case of a Director.

(3) Notwithstanding anything contained in this Ordinance, the Chairman or a Director may, at any time before the expiry of his term, upon three months' notice, resign his office, or upon similar notice, be removed from office by the Government without assigning any reason.

(4) A Government servant serving as Chairman or a Director of the Corporation shall automatically cease to be the Chairman or a Director, as the case may be, on his transfer from the Corporation.

¹ The word "Bangladesh" was substituted for the word "Pakistan" by Article 3 and the Schedule of the Bangladesh Industrial Development Corporation Order, 1972 (President's Order No. 39 of 1972).

Appointment of officers

10. (1) The Corporation may, subject to such general or special orders as the Government may give it from time to time and subject to such rules as may be made in this behalf, appoint such officers, advisers and employees as it considers necessary for the efficient performance of its functions on such terms and conditions as it may see fit.

(2) Notwithstanding anything contained in sub-section (1), the Corporation shall, subject to the provisions of sub-sections (3) and (4), appoint such officers and advisers and employees of the Central Corporation as may be transferred to it under the Industrial Corporations (Dissolution) Ordinance, 1962.

(3) Subject to the provisions of the Industrial Corporations (Dissolution) Ordinance, 1962, and any direction received thereunder, the terms and conditions of employment of such officers, advisers and employees, as are referred to in sub-section (2), shall be such as may be determined by the Government:

Provided that the Government may direct that, until the terms and conditions have been so determined by it or for such period as it may specify, any such person shall be employed by the Corporation on the same terms and conditions on which he was employed by the Central Corporation concerned.

(4) Notwithstanding anything contained in the foregoing sub-sections, the Government may direct the Corporation to dispense with the services of any such officers, advisers and employees as are referred to in sub-sections (2) and (3) and in that event the Corporation shall dispense with the services of such persons in the same manner and subject to the same conditions under which their services could be dispensed with by the Central Corporation concerned.

Explanation.- In this section “Central Corporation” has the same meaning as in the Industrial Corporations (Dissolution) Ordinance, 1962.

Declaration of fidelity and secrecy

11. Every Director, adviser, officer or other employee of the Corporation, before entering upon his duties, shall make such declaration of fidelity and secrecy as may be provided by regulations.

12. (1) The meetings of the Board shall be held at such times and at such places as may be prescribed by regulations:

Meetings of the Board

Provided that at least one meeting shall be held in a month:

Provided further that until regulations are made in this behalf, such meetings shall be held at such times and at such places as may be determined by the Chairman.

(2) The quorum necessary for transacting business at a meeting of the Board shall be three if the Board consists of five Directors and two if the number is less.

(3) Each Director, including the Chairman, shall have one vote but in the event of an equality of votes, the Chairman shall have a second or casting vote.

(4) The meetings of the Board shall be presided over by the Chairman, and, in his absence, by a Director authorised by him in this behalf, and in default of such authorisation by a person elected for the purpose by the Directors present from among themselves.

(5) No act or proceeding of the Board shall be invalid merely on the ground of the existence of any vacancy in, or any defect in the constitution of, the Board.

(6) The minutes of every meeting, stating among other things, the names of the Directors present, shall be drawn up and recorded in a book to be kept for the purpose, and shall be signed by the person presiding at the meeting, and such book shall at all reasonable times and without charge be open to inspection by any Director.

13. (1) If the Government so directs in any case, the Chairman shall forward to it copies of all papers which were laid before the Board for consideration at a meeting.

Forwarding of statements, etc., to the Government

(2) The Government may require the Chairman to furnish it with-

- (a) any return, statement, estimate, statistics or other information regarding any matter under the control of the Corporation; or

- (b) a report on any such matter; or
- (c) a copy of any document in the charge of the Chairman.

(3) The Chairman shall comply with any such requisition under sub-section (2) without undue delay.

Delegation of Powers

14. Subject to the provisions of sub-section (3) of section 6, the Corporation may, by general or special order in writing, direct that such of its powers shall, in such circumstances and under such conditions, if any, as may be specified in the order, be exercisable also by the Chairman or such Director or officer as may be specified therein.

Business which the Corporation shall transact

15. (1) The Corporation shall take over and be responsible for such business, projects, undertakings and properties, powers, rights, duties and liabilities as may be transferred to it under the Industrial Corporations (Dissolution) Ordinance, 1962.

(2) The Corporation shall be responsible for-

- (a) planning, promoting, organising and implementing programmes for the establishment of industries listed in the Schedule and for the exploitation of forests and fisheries;
- (b) the exploration, exploitation and development of minerals and mines thereof; and
- (c) the exploration, exploitation and development of any material which the ¹[* * *] Government may entrust to it subject to such conditions as the ²[* * *] Government may specify.

Explanation.- In clause (a) “planning” includes studies, surveys, experiments and scientific and technical investigation.

¹ The word “Central” was omitted by Article 3 and the Schedule of the Bangladesh Industrial Development Corporation Order, 1972 (President’s Order No. 39 of 1972).

² The word “Central” was omitted by Article 3 and the Schedule of the Bangladesh Industrial Development Corporation Order, 1972 (President’s Order No. 39 of 1972).

(3) Notwithstanding anything contained in sub-sections (1) and (2), the Corporation shall perform such other duties and functions as the Government may, from time to time, assign to the Corporation.

(4) The Corporation shall, in order to carry out any functions under sub-section (1) or clause (a) or clause (b) of sub-section (2) or sub-section (3),-

(a) submit, for the approval of the Government, proposals or schemes; and

(b) proceed to give effect to any proposal or scheme as approved by the Government.

(5) The Corporation may, and, where the Government so directs, shall, for the purpose of giving effect to any proposal or scheme approved by Government, sponsor limited companies independent of each other or subsidiary companies incorporated under the Companies Act, 1913 (VII of 1913):

Provided that before sponsoring any such company, the Corporation shall obtain the approval of the Government to the company's capital structure.

(6) The Corporation shall, unless otherwise directed by the Government, act as Managing Agents for the aforesaid companies, and may, with the prior concurrence of the Government, relinquish the managing agency in favour of any person.

(7) Nothing contained in section 87A of the Companies Act, 1913 (VII of 1913), shall apply to the Corporation.

(8) The Corporation shall be represented on the Board of Directors of the aforesaid companies.

(9) The Corporation may issue the capital required for the aforesaid companies for public subscription and, if any portion thereof remains unsubscribed after the expiry of the closing date for public subscription, subscribe on behalf of the Government that portion.

(10) The Corporation may underwrite the whole or any portion of the capital issued under sub-section (9).

(11) The Corporation shall, when it considers the time opportune, sell or transfer the shares subscribed for by it under sub-section (9):

Provided that no such sale or transfer shall take place at a rate below the market quotation or below the par value of such shares without the previous sanction of the Government.

Annual Budget Statement

16. The Corporation shall, by such date in each year as may be prescribed by rules, submit to the Government for approval a statement, to be called the Annual Budget Statement, in the prescribed form for every financial year showing the estimated receipts and expenditure and sums which are likely to be required from the Government during that financial year.

Custody and investment of Corporation Funds

17. (1) All moneys at the credit of the Corporation shall be kept-

(a) in places where there is a Government treasury, or sub-treasury or a bank to which the Government treasury business has been made over, in such treasury, sub-treasury or bank; and

(b) in other places, with such banks as may be approved by the Government.

(2) Nothing in sub-section (1) shall be deemed to preclude the Corporation from investing any such moneys which are not required for immediate expenditure in any of the securities described in section 20 of the Trusts Act, 1882 (II of 1882), or placing them in fixed deposit with a bank approved by Government, or in such other manner as may be approved by the Government.

Maintenance of accounts

18. The Corporation shall maintain proper accounts and other relevant records and prepare annual statement of accounts, including the profit and loss account and balance-sheet, in accordance with such general directions as may be issued, and in such form as may be specified, by Government in consultation with the Comptroller and Auditor General, hereinafter referred to as the Auditor General.

19. (1) The accounts of the Corporation shall be audited by auditors who shall be chartered accountants within the meaning of the Chartered Accountants Ordinance, 1961, and appointed with the approval of the Government by the Corporation on such remuneration as it may think fit, and such remuneration shall be paid by the Corporation. Audit

(2) Notwithstanding the audit provided for in sub-section (1), the Auditor General shall audit or cause to be audited the accounts of the Corporation.

(3) The Auditor General shall also hold, or cause to be held, a test audit of the undertakings wholly owned by the Corporation and of the Companies of which the Corporation is the Managing Agents, and in the event of a test audit disclosing irregularities, the Auditor General may carry out, or cause to be carried out, such further audit as he considers necessary.

(4) The Corporation and every such undertaking and company as is referred to in sub-section (3) shall produce the accounts, books and connected documents, at the place where they are normally expected to be available, and furnish such explanations and information as the Auditor General or any officer authorised by him in this behalf may require at the time of the audit.

(5) The Auditor General shall, in holding the audit, keep in view the provisions of sub-section (2) of section 5 and state in his report how far in his opinion these provisions have been complied with.

20. The Corporation shall, as soon as possible, after the end of every financial year, submit an annual report to the Government on the conduct of its affairs for that year, and on its proposals for the next ensuing financial year. Annual Report

21. (1) Every Director shall be indemnified by the Corporation against all losses and expenses incurred by him in the discharge of his duties except such as are caused by his own wilful act or default. Indemnity of Directors

(2) A Director shall not be personally responsible for the acts of any other Director or of any officer, adviser or employee of the Corporation for any loss or expense resulting to the Corporation by reason of the insufficiency or deficiency in value of or title to any property or security acquired or taken on behalf of the Corporation, or by the wrongful act of any person under a liability to the Corporation, or by anything done by him in good faith in the execution of the duties of his office.

Public servants

22. The Chairman, Directors, officers, adviser or employee of the Corporation shall, while acting or purporting to act in pursuance of the provisions of this Ordinance, or the rules or regulations made thereunder, be deemed to be public servants within the meaning of section 21 of the ¹[* * *] Penal Code (XLV of 1860).

Power to make rules

23. (1) The Government may, by notification in the *official Gazette*, make rules for carrying out the purposes of this Ordinance.

(2) In particular and without prejudice to the generality of the foregoing powers, such rules may provide for-

- (a) the relinquishment of managing agency in favour of any person;
- (b) the manner of keeping accounts of the Corporation and the companies managed by it;
- (c) the recruitment of officers, advisers and employees of the Corporations;
- (d) the terms and conditions of service of the officers, advisers and employees of the Corporation, including the functions of the advisers;
- (e) the borrowings by the Corporation;
- (f) the purchase and sale of goods by the Corporation;
- (g) the date by which and the form in which, the annual budget statement shall be submitted in each year;

¹ The word "Pakistan" was omitted by Article 6 of the Bangladesh (Adaptation of Existing Laws) Order, 1972 (President's Order No. 48 of 1972).

- (h) the procedure for appropriation and re-appropriation of moneys at the credit of the Corporation;
- (i) the form and manner in which and the authorities to whom returns, reports or statements shall be submitted; and
- (j) such other matters relating to the administration of the affairs of the Corporation as the Government may think fit to regulate by rules.

24. (1) The Board may, with the previous sanction of the Government, make regulations to provide for all matters, not provided for in the rules for which provision is necessary or expedient for carrying out the purposes of this Ordinance and the said rules.

Power to make regulations

(2) In particular and without prejudice to the generality of the foregoing powers, such regulations may provide for the-

- (a) meetings of the Board;
- (b) investment of the Corporation's funds; and
- (c) sale or transfer of shares under sub-section (11) of section 15.

25. The Government may, from time to time, by notification in the *official Gazette*, amend the Schedule so as to include therein or exclude therefrom any industry or vary the description of any industry included therein.

Power to amend the Schedule

26. No provision of law relating to the winding up of companies and corporations shall apply to the Corporation and the Corporation shall not be wound up except by order of the Government and in such manner as it may direct.

Winding up of the Corporation

SCHEDULE

1. Jute.
2. Papers, Board and Newsprint.
3. Heavy Engineering including Iron and Steel but excluding Shipbuilding.

4. Shipbuilding.
 5. Heavy Chemicals other than fertilisers.
 6. Fertilisers.
 7. Sugar.
 8. Cement.
 9. Textiles.
 10. Chemicals, Pharmaceuticals and Dyestuffs.
 11. Coal and Peat.
 12. Exploitation of Marine Fisheries except fisheries outside territorial waters.
 13. Industries based on forest products.
 14. Cottage and Small Scale Industries.
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