

**THE BANGLADESH SHILPA RIN SANGSTHA  
ORDER, 1972**

PRESIDENT'S ORDER NO. 128 OF 1972

[31<sup>st</sup> October, 1972]

WHEREAS it is expedient to establish a Sangstha to provide credit facilities and other assistance to industrial concerns and encourage and broaden the base of investment in Bangladesh and to provide for the vesting in the Sangstha of the undertakings of the Pakistan Industrial Credit and Investment Corporation Limited, the Investment Corporation of Bangladesh and the National Investment Trust Limited in Bangladesh and for matters connected therewith or incidental thereto;

NOW, THEREFORE, in pursuance of the Proclamation of Independence of Bangladesh, read with the Provisional Constitution of Bangladesh Order, 1972, and in exercise of all powers enabling him in that behalf, the President is pleased to make the following Order:-

**1.** (1) This Order may be called the Bangladesh Shilpa Rin Sangstha Order, 1972.

(2) It extends to the whole of Bangladesh and also applies to the Business of the Sangstha transacted outside Bangladesh.

(3) It shall come into force at once.

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

- (a) "Board" means the Board of Directors of the Sangstha;
- (b) "bond" means a bond of any description issued by any institution or by the Government;
- (c) "Chairman" means the Chairman of the Board;

- (d) “<sup>1</sup>[company]” means a company as defined in the Companies Act, 1913 (Act VII of 1913), and includes a body corporate established or incorporated under any other law for the time being in force;
- (e) “Sangstha” means the Bangladesh Shilpa Rin Sangstha established by this Order;
- (f) “Credit and Investment Corporation” means the Pakistan Industrial Credit and Investment Corporation Limited which, after the 16<sup>th</sup> day of December, 1971, was called the Bangladesh Industrial Credit and Investment Corporation Limited;
- (g) “debenture” means debenture issued by any institution in Bangladesh in accordance with the rules for the time being applicable to the issue of debenture and includes debenture stock;
- (h) “Deposit account” means an account maintained by the Sangstha of the cash deposits made with it for purposes of investment;
- (i) “Director” means a Director of the Sangstha;
- (j) “District Judge” includes an Additional District Judge or a Subordinate Judge;
- (k) “equity security” means-
  - (i) any stock or transferable share, preferred or common, or similar security representing ownership;
  - (ii) any security carrying any warrant or right to purchase or subscribe for such security and any such warrant or right itself; and
  - (iii) such other security representing ownership as may be prescribed;
- (l) “fixed cost” means the cost of land, building and machinery of an industrial concern, including the cost of installation of machinery;

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<sup>1</sup> The word “company” was substituted for the word “Company” by section 2 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

- (m) “Government” means the Government of the People’s Republic of Bangladesh;
- (n) “industrial concern” means a concern engaged or to be engaged in such industry or business, or in the manufacture, preservation or processing of such goods, as the Government may, by notification in the *official Gazette*, specify from time to time, and includes a company;
- (o) “industrial concern in the private sector” means an industrial concern which is not an industrial concern in the Public sector;
- (p) “industrial concern in the public sector” means an industrial concern at least fifty-one *per cent* shares of which are held by the Government and includes any other industrial concern which the Government may, by notification in the *official Gazette*, declare to be an industrial concern in the public sector for the purpose of this Order;
- (q) “institution” means an organisation established under any law for the time being in force in Bangladesh for the promotion of some public object;
- (r) “Investment Corporation” means the Investment Corporation of Bangladesh established under the Investment Corporation Ordinance, 1966 (Ord. No. IV of 1966), read with the Bangladesh (Administration of Financial Institutions) Order, 1972 (A. P. O. No. 3 of 1972), which before the seventh day of January, 1972 was called the Investment Corporation of Pakistan;
- (s) “Investment Trust” means the National Investment Trust Limited;
- (t) “[loan]” includes guarantee or indemnity which the Sangstha may give on behalf of an industrial concern and any liability which the Sangstha may incur on behalf of an industrial concern;
- (u) “Managing Director” means the Managing Director of the Sangstha;

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<sup>1</sup> The word “loan” was substituted for the word “Loan” by section 2 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

- (v) “prescribed” means prescribed by rules or regulations made under this Order;
- (w) “securities” includes any note, stock, bond, debenture, evidence of indebtedness, transferable share, investment contract, certificate of deposit for a security, certificate of interest or participation in any profit sharing agreement; and
- (x) “underwriting” means contracting, with or without conditions, to purchase or subscribe for stocks, shares, bonds, debentures or other securities issued by any company with a view to holding, selling or distributing the whole or part thereof.

**3.** The provisions of this Order and any rule made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.

**4. (1)** On the commencement of this Order, there shall be established a Sangstha to be called the Bangladesh Shilpa Rin Sangstha for the purposes of this Order.

(2) The Sangstha shall be a body corporate having perpetual succession and a common seal with power, subject to the provisions of this Order, to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall by the said name sue and be sued.

<sup>1</sup>[(3) The Sangstha shall be deemed to be a banking company for the purposes of ব্যাংক কোম্পানী আইন, ১৯৯১ (১৯৯১ সনের ১৪ নং আইন) and Bangladesh Bank Order, 1972 (P. O. No. 127 of 1972) and any other law for the time being in force relating to banking companies.]

**5. (1)** The head office of the Sangstha shall be at Dhaka.

(2) The Sangstha may establish offices, branches and agencies at such places in or outside Bangladesh as the Board may think fit.

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<sup>1</sup> Clause (3) was added by section 2 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1993 (Act No. IV of 1993).

<sup>1</sup>[6. The authorised capital of the Sangstha shall be two thousand million taka to be subscribed by the Government from time to time according to requirement of the Sangstha and in such form and manner as may be prescribed:

Provided that the Government may increase the authorised capital of the Sangstha from time to time.]

7. (1) Subject to rules made under this Order, the general direction and administration of the affairs and business of the Sangstha shall vest in a Board of Directors which may exercise all such powers and do all such acts and things as may be exercised or done by the Sangstha.

<sup>2</sup>[(2) Subject to the general policy guidelines as may be given by the Government from time to time, the Board, in discharging its functions, shall act on commercial and banking considerations with due regard to the interests of industry and commerce and to the public interest generally.]

(3) Until the first Board is appointed under Article 8, the Managing Director appointed under the said Article shall exercise all powers, do all acts and things as may be exercised or done by the Board.

8. <sup>3</sup>[(1) The Board shall consist of a Managing Director and eight other Directors to be appointed by the Government.]

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

<sup>4</sup>[9. (1) The Managing Director and other Directors shall hold office for such period and on such terms and conditions as the Government may determine.

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<sup>1</sup> Article 6 was substituted by section 3 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1993 (Act No. IV of 1993).

<sup>2</sup> Clause (2) was substituted by section 3 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1987 (Act No. XIX of 1987).

<sup>3</sup> Clause (1) was substituted by section 4 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1993 (Act No. IV of 1993).

<sup>4</sup> Article 9 was substituted by section 5 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1993 (Act No. IV of 1993).

(2) The Government may, at any time, terminate the appointment of the Managing Director or any other Director without assigning any reason.

(3) The Managing Director or any other Director may, at any time, resign his office by notice in writing addressed to the Government:

Provided that no resignation shall be effective until it has been accepted by the Government.]

**10.** (1) The Managing Director shall be the chief executive officer of the Sangstha.

(2) The <sup>1</sup>[Chairman,] Managing Director and other Directors shall exercise such powers, perform such functions and discharge such duties as may be prescribed or assigned to them by the Board.

**11.** No person shall be or shall continue to be a Director who-

- (a) is or at any time has been convicted of an offence which, in the opinion of the Government, is an offence involving moral turpitude; or
- (b) is a minor; or
- (c) is found to be a lunatic or of unsound mind; or
- (d) is or at any time has been adjudicated an insolvent or has suspended payment or compounded with his creditors; or
- (e) absents himself from three consecutive meetings of the Board without leave of absence granted by the Chairman or, in the case of the Chairman, by the Government; or
- (f) has any financial or other interest in any industrial concern financed by the Sangstha which is likely to affect prejudicially his functions as a Director; or

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<sup>1</sup> The word and comma "Chairman," were inserted by section 2 and the Schedule of the Banks and Financial Institutions Laws Amendment Act, 1980 (Act No. IX of 1980).

(g) is or becomes a salaried employee of any industrial concern financed by the Sangstha.

<sup>1</sup>[11A. <sup>2</sup>[(1) The Government shall appoint one of the Directors, other than the Managing Director, to be the Chairman of the Board <sup>3</sup>[\* \* \*].]

(2) Subject to his continuing to hold office as a Director, the Chairman shall hold office as Chairman for the term of his office as Director and shall be eligible for re-appointment.

(3) In the event of a casual vacancy in the office of the Chairman a successor shall be appointed by the Government from amongst the Directors for the unexpired term or for the period of absence, as the case may be, but the person so appointed shall not hold office beyond the date of expiry of the term of office of his predecessor.]

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

Provided that a meeting may also be otherwise convened by the Chairman when he so thinks fit.

(2) To constitute a quorum at a meeting of the Board the number of Directors present shall be <sup>4</sup>[four <sup>5</sup>[\* \* \*]].

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<sup>1</sup> Article 11A was inserted by section 2 and the Schedule of the Banks and Financial Institutions Laws Amendment Act, 1980 (Act No. IX of 1980).

<sup>2</sup> Clause (1) was substituted by section 6 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1987 (Act No. XIX of 1987).

<sup>3</sup> The words and commas “and, in making such appointment, the Government shall ordinarily consult the Board” were omitted by section 6 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1993 (Act No. IV of 1993).

<sup>4</sup> The words “four if the Board consists of nine Directors including the Managing Director and three if the Board consists of less than nine Directors” were substituted for the words “three if the Board consists of five Directors and two if the Board consists of less than five Directors” by section 4 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>5</sup> The words “if the Board consists of nine Directors including the Managing Director and three if the Board consists of less than nine Directors” were omitted by section 7 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1993 (Act No. IV of 1993).

(3) At a meeting of the Board each Director shall have one vote and, in the event of equality of votes, the Chairman shall have a second or casting vote.

(4) No Director shall vote on any matter in which he is directly or indirectly interested.

<sup>1</sup>[(5) If for any reason the Chairman is unable to be present at a meeting of the Board, a Director, other than the Managing Director, chosen by the Directors present shall preside over the meeting.]

**13.** The Board may appoint such committee or committees as it thinks fit to assist it in the efficient discharge of its functions.

**14.** All acts done by the Chairman or any other Director, acting in good faith, shall, notwithstanding any defect in his appointment or in the procedure, be valid.

<sup>2</sup>[**15.** (1) Every Director, officer or employee of the Sangstha shall be indemnified by the Sangstha 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.

(2) No suit, prosecution or other legal proceedings shall lie against the Chairman, the Managing Director or any other Director or any officer or other employee of the Sangstha or any other person authorised by the Sangstha to discharge any function under this Order for anything done or intended to be done in good faith under this Order.]

**16.** The Sangstha may carry on, transact or do several kinds of business and acts hereinafter specified, namely:-

- (a) assisting in the creation, expansion and modernisation of industrial concerns;

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<sup>1</sup> Clause (5) was substituted by section 7 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1987 (Act No. XIX of 1987).

<sup>2</sup> Article 15 was substituted by section 8 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1987 (Act No. XIX of 1987).



- (b) encouraging, sponsoring and facilitating participation of capital, internal as well as external, in industrial concerns and acquisition or ownership of industrial investments, shares and securities;
- (c) underwriting, managing and distributing the issue of stocks, shares, bonds, debentures and other securities either directly or through or jointly with any investment or financial institution;
- (d) providing finance in the form of long or medium-term loans or share participation;
- (e) guaranteeing and counter-guaranteeing loans, debts, credits, performance of contracts and obligations of any kind;
- (f) administering as agent to the Government such loans and in such manner as the Government may direct;
- (g) engaging in the business of investing and reinvesting in the owning and holding of securities and of discounting of purchase of shares and investment in such other securities as may be approved by the Board;
- (h) <sup>1</sup>[furnishing] managerial, technical and administrative advice to, and assisting in obtaining managerial, technical and administrative services by, any industrial concern or person;
- <sup>2</sup>[(hh) engaging in research for industrial promotion and providing advisory and consultancy services;]
- (i) facilitating investment by selling new floatations of existing or new industrial concerns without underwriting obligations;
- (j) merchandising, buying, selling, holding or transferring of shares, stocks debentures, debenture stocks, bonds, obligations and securities;
- (k) drawing, making, accepting, endorsing, negotiating, executing, issuing, discounting, buying and selling of bills

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<sup>1</sup> The word “furnishing” was substituted for the word “Furnishing” by section 5 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>2</sup> Clause (hh) was inserted by section 9 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1987 (Act No. XIX of 1987).

of exchange, promissory notes and other negotiable or transferable instruments;

- (l) <sup>1</sup>[issuing] or opening of letters of credit;
- (m) drawing of bills of exchange and granting of letters of credit payable outside Bangladesh;
- (n) lending money with or without security and making advance upon or holding in trust, or otherwise acquiring or <sup>2</sup>[disposing] of, on commission or otherwise, any of the securities or investments;
- (o) receiving money on time deposit, loan or otherwise on such terms as may be approved by the Board;
- (p) taking over, running and selling of such industrial concerns as have failed to repay in full the loan taken from the Sangstha;
- (q) opening and maintaining of Investors' Deposit Accounts and managing investment portfolios on behalf of individuals or institutions;
- (r) purchasing and selling shares to the Investors' Deposit Account holders over the counter;
- (s) providing professional counsel regarding investments and helping generally in broadening the base of investments and encouraging investment in sound projects, whether by issuing <sup>3</sup>[Mutual Funds or Unit Trusts] or both in or outside Bangladesh or otherwise;
- (t) constituting, promoting, issuing, organising, managing and administering Mutual Funds or Unit Trusts of any type or character and acquiring, holding, dealing, selling, paying or disposing of, or dealing in shares, certificates, or securities of, such Funds or Trusts;

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<sup>1</sup> The word "issuing" was substituted for the word "Issuing" by section 5 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>2</sup> The word "disposing" was substituted for the word "deposing" by section 5 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>3</sup> The words " Mutual Funds and Unit Trusts" were substituted for the words " mutual funds and unit trust" by section 5 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

- (u) being a member of a stock exchange in Bangladesh;
- (v) for purposes of, and in matters relating to, its business or object:
  - (i) purchasing or otherwise acquiring, owning, selling, transferring and exchanging any tangible or intangible, movable or immovable property and any right, title or interest in such property <sup>1</sup>[absolutely,] temporarily or on hire or by hire purchase or on instalment or entering into joint-venture or profit-sharing arrangements with, or assisting in any way, any industrial concern or person on such terms and conditions as may be approved by the Board;
  - (ii) accepting and furnishing any undertaking or commercial guarantee for the performance of any obligation or the fulfilment of any contract or the repayment of any money;
  - (iii) accepting and furnishing any lien, charge, hypothecation or mortgage on any movable or immovable property or any bond or promissory note or bill of exchange;
  - (iv) entering into agreements and contracts and executing such documents as may be considered necessary or expedient;
  - <sup>2</sup>(v) appointing attorneys, lawyers, counsels, consultants and agents;
  - (vi) subsidising from time to time of the provident fund or other funds created for the benefit of its employees;
- (w) receiving, recovering and paying interest, commission, fees and other charges and brokerage in connection with the business of the Sangstha;
- (x) selling and realising all property, whether movable or immovable, which may in any way come into possession of the Sangstha in satisfaction or part satisfaction of its claims;

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<sup>1</sup> The word and comma “absolutely,” were substituted for the word “absolutely” by section 5 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>2</sup> Sub-clause (v) was substituted by section 9 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1987 (Act No. XIX of 1987).

- (y) generally doing all such acts and things as may be necessary, incidental, subsidiary or conducive to the transacting of any of the aforesaid business or acts including proceedings in <sup>1</sup>[Courts] of law; and
- (z) doing of such other acts and things for the purposes of giving effects to the provisions of this Order.

**17.** <sup>2</sup>[(1) The business provided for in Article 16 may be transacted with any industrial concern, either in the public or in the private sector, but shall not be transacted with any industrial concern incorporated outside Bangladesh.]

(2) Short-term advance and loans for the purposes of working capital of any industrial concern shall not be made of an amount exceeding, at any time, <sup>3</sup>[twenty-five] *per cent* of the total advances made to such concern except with the approval of the Government.

(3) No guarantee, loan or subscription provided for in Article 16 shall be made which is not secured by pledge, <sup>4</sup>[mortgage,] hypothecation or assignment any property, movable or immovable, to the extent determined by the Board or by a contract to mortgage, hypothecate or assign any property which may be acquired in future with or without financial assistance of the Sangstha.

**18.** [Omitted by section 11 of the *Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1987 (Act No. XIX of 1987).*]

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<sup>1</sup> The word “Courts” was substituted for the word “course” by section 5 of the *Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).*

<sup>2</sup> Clause (1) was substituted by section 10 of the *Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1987 (Act No. XIX of 1987).*

<sup>3</sup> The words “twenty-five” were substituted for the word “twenty” by section 6 of the *Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).*

<sup>4</sup> The word and comma “mortgage,” were substituted for the word “mortgage” by section 6 of the *Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).*

**19.** (1) The Sangstha shall not undertake or transact any kind of business other than those authorized by or under this <sup>1</sup>[Order] and, in particular, it shall not discount or buy or advance, lend or open cash credit on the security of, any negotiable instrument of any individual or partnership firm which does not carry on it the several responsibilities of at least two persons or firms not connected with each other in general partnership.

(2) Notwithstanding anything contained in <sup>2</sup>[clause] (1), the Sangstha may grant advances or loans or make *ex gratia* payments <sup>3</sup>[\* \* \*], to its officers and staff for the purposes of providing amenities and facilities for their betterment.

**20.** On the commencement of this Order, the undertakings of the Credit and Investment Corporation, the Investment Corporation and the Investment Trust, hereinafter in this Order referred to as the said financial institutions, shall be transferred to, and shall vest in, the Sangstha.

**21.** (1) The undertaking of any of the said financial institutions shall be deemed to include all assets, rights, powers, authorities and privileges and all property, movable and immovable, cash balances, reserve funds, investments and all other rights and interests in, or arising out of, such property as were immediately before the commencement of this Order in the ownership, possession, power or control of the said financial <sup>4</sup>[institutions] in relation to the undertaking within the territory of Bangladesh or in relation to the business of such undertaking outside Bangladesh, and all books of accounts,

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<sup>1</sup> The word "Order" was substituted for the word "order" by section 7 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>2</sup> The word "clause" was substituted for the word "Clause" by section 7 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>3</sup> The words "with prior approval of the Government" were omitted by section 12 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1987 (Act No. XIX of 1987).

<sup>4</sup> The word "institutions" was substituted for the word "institute" by section 8 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

registers, records and all other documents of whatever nature relating thereto and shall, unless the Government otherwise directs, also be deemed to include all borrowings, liabilities and obligations of whatever kind then subsisting of the said financial <sup>1</sup>[institutions] in relation to such undertaking within the territory of Bangladesh.

**Explanation** - The assets of any of the said financial institutions shall be deemed to include any sum payable by or in respect of any industrial concern or person in Bangladesh on account of any financial assistance taken by or for it or him from any office of any of the said financial institutions in or outside Bangladesh.

(2) If, according to the laws of any country outside Bangladesh, the provisions of this Order by themselves are not effective to transfer or vest any assets situated in that country which form part of the undertaking of any of the said financial institutions to, or in, the Sangstha, the affairs of the said financial <sup>2</sup>[institutions] in relation to such assets shall, on and from the commencement of this Order, stand entrusted to the <sup>3</sup>[Managing Director], for the time being, of the Sangstha, and he may exercise all powers and do all such acts and things as may be exercised or done by the said financial <sup>4</sup>[institutions] for the purpose of effectively transferring such assets.

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<sup>1</sup> The word “institutions” was substituted for the word “institute” by section 8 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>2</sup> The word “institutions” was substituted for the word “institute” by section 8 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>3</sup> The words “Managing Director” were substituted for the words “chief executive officer” by section 8 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>4</sup> The word “institutions” was substituted for the word “institute” by section 8 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

(3) The <sup>1</sup>[Managing Director] of the Sangstha shall, in exercise of the powers conferred on him by clause (2), take all such steps as may be required by the laws of any such country outside Bangladesh for the purpose of effecting such <sup>2</sup>[transfer or] vesting, and may either himself or through any person authorised by him in this behalf, realise any such assets of the said financial <sup>3</sup>[institutions].

(4) Unless otherwise expressly provided by this Order and unless the Government otherwise directs, all contracts, deeds, bonds, agreements, powers of attorney, grants of legal representation and other instruments of whatever nature subsisting or <sup>4</sup>[having] effect immediately before the commencement of this Order and to which any of the said financial institutions is a party or which are in favour of the said financial <sup>5</sup>[institutions] shall, in so far as they relate to the undertaking of the said financial <sup>6</sup>[institutions], which has vested in the Sangstha under Article 20, be of as full force and effect against or in favour of the Sangstha, and may be enforced or acted upon as fully and effectually as if in the place of the said financial <sup>7</sup>[institutions], the Sangstha had been a party thereto or as if they had been issued in favour of the Sangstha.

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<sup>1</sup> The words “Managing Director” were substituted for the words “Chief Executive Officer” by section 8 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>2</sup> The words “transfer or” were substituted for the words “transfer of” by section 8 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>3</sup> The word “institutions” was substituted for the word “institute” by section 8 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>4</sup> The word “having” was substituted for the word “have” by section 8 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>5</sup> The word “institutions” was substituted for the word “institute” by section 8 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>6</sup> The word “institutions” was substituted for the word “institute” by section 8 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>7</sup> The word “institutions” was substituted for the word “institute” by section 8 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

(5) Subject to the other provisions of this Order and unless the Government otherwise directs, any suit, appeal or other proceeding of whatever nature pending on the date of commencement of this Order by or against any of the said financial institutions in relation to its undertaking which has vested in the Sangstha under Article 20 shall be deemed to be suit, appeal or other proceeding pending by or against the Sangstha, and may be continued, prosecuted and enforced by or against the Sangstha.

**22.** (1) The Sangstha may <sup>1</sup>[, subject to other provisions of this Article,] appoint or employ such persons as it considers necessary for the efficient performance of its functions on such terms and conditions as it may determine.

(2) Every officer or other employee of the said financial institutions in Bangladesh shall become, on the commencement of this Order, an Officer or other employee, as the <sup>2</sup>[case may be], of the Sangstha and shall hold office or service in the Sangstha on the same terms and conditions and with the same rights and privileges as to Provident <sup>3</sup>[Fund, gratuity], pension and other matters as were enjoyed by him immediately before such commencement and shall continue to do so unless and until his employment in the Sangstha is terminated or until his remuneration or terms and conditions are duly altered by the <sup>4</sup>[Sangstha:]

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<sup>1</sup> The commas and words “, subject to other provisions of this Article,” were inserted by section 2 and the Schedule of the Financial Institutions Laws Amendment Ordinance, 1977 (Ordinance No. LXI of 1977).

<sup>2</sup> The words “case may be” were substituted for the words “case may” by section 9 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>3</sup> The words and comma “Fund, gratuity” were substituted for the words “Fund gratuity” by section 9 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>4</sup> The word and colon “Sangstha:” were substituted for the word and semi-colon “Sangstha;” by section 9 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).



Provided that an officer or other employee may, within such time as may be specified by the Sangstha, exercise his option not to continue in the service of the <sup>1</sup>[Sangstha:]

Provided further that the Government may alter the terms and conditions of service of an officer or employee if such alteration is considered necessary for the sake of uniformity and in the interest of equity in service.

(3) Notwithstanding anything contained in any terms and conditions of service or in any award, settlement or agreement for the time being in force, the Sangstha may, with the prior approval of the Government, alter the remuneration (whether by way of reduction or otherwise) and other terms and conditions of service of any officer or other employee of the Sangstha, and if such alteration is not acceptable to an officer or other employee, the Sangstha may terminate his employment by giving him compensation equivalent to three months' remuneration in case of a permanent officer <sup>2</sup>[or other employee] and one month's remuneration in case of temporary officer <sup>3</sup>[or other employee].

**Explanation** - The compensation to an officer or other employee under clause (3) shall be in addition to any pension, gratuity or other benefit to which the officer or employee may be entitled under the terms and conditions of his service.

(4) If any question arises as to whether or not any person was an officer or other employee of any of the said financial institutions immediately before the commencement of this Order, the question shall be referred to the Government whose decision shall be final and binding on the parties.

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<sup>1</sup> The word and colon "Sangstha:" were substituted for the word and semi-colon "Sangstha;" by section 9 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>2</sup> The words "or other employee" were substituted for the words "or employee" by section 9 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>3</sup> The words "or other employee" were substituted for the words "or employee" by section 9 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

(5) The transfer of service of any officer or other employee from any of the said financial institutions to the Sangstha shall not entitle any such officer or other employee to any compensation, other than the compensation mentioned in clause (3), and no such claim shall be entertained by any Court, tribunal or other authority.

(6) *[Clause (6) was omitted by section 13 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1987 (Act No. XIX of 1987).]*

**23.** (1) Where any property has vested in the Sangstha under Article 20, every person, in whose possession and custody or under whose control the property may be, shall deliver the property to the Sangstha forthwith.

(2) Any person who, on the commencement of this Order, has in his possession or custody or under his control any books, documents or other papers relating to the undertaking which has vested in the Sangstha under Article 20 shall deliver them to the Sangstha or to such person as the Sangstha may direct.

(3) The Sangstha may take all necessary steps for securing possession of all properties which have vested in the Sangstha under Article 20.

**24.** The Government shall give compensation to the said financial institutions for such of their undertakings transferred to the Sangstha under Article 20 as have not already vested in the Government by or under any law, and such compensation shall be determined and distributed among the shareholders of the said financial institutions in such manner as may be prescribed by rules made under this Order:

Provided that the total compensation payable to any of the said financial institutions under this Article shall not exceed the total paid up value of the shares held by the shareholders in Bangladesh among whom such compensation is to be distributed.

**25.** The Sangstha shall, by such date in each year as may be prescribed, 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 during that financial year.

<sup>1</sup>[26. (1) The Sangstha may issue and sell bonds and debentures carrying interest at such rates as the Board may determine.

(2) Notwithstanding anything contained in the Foreign Exchange Regulation Act, 1947 (VII of 1947), or any other law for the time being in force, the Sangstha may, for the purpose of granting loans and advances to industrial concerns in foreign currency, borrow such currency from the Government or from any bank or other financial institution in Bangladesh or from any foreign Government or foreign bank or other financial institution, and may pledge, mortgage, hypothecate or assign to such Government, bank or financial institution all or any part of the security taken by the Sangstha for the loans granted in foreign currency.

(3) The Government may, if it considers it expedient, guarantee the repayment of principal and payment of interest in respect of the bonds and debentures issued, and the borrowing made, by the Sangstha under this Article on such terms and conditions as may be agreed upon between the Government and the Sangstha.]

27. (1) For the purpose of transacting any business under this Order with any industrial concern or person the Sangstha may impose such conditions as it may consider necessary or expedient for protecting its interest and securing that its guarantee, <sup>2</sup>[underwriting], loan, subscription or other aid is put to such use by the industrial concern or person as the Sangstha has agreed to.

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<sup>1</sup> Article 26 was substituted by section 14 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1987 (Act No. XIX of 1987).

<sup>2</sup> The word “underwriting” was substituted for the words “under writing” by section 11 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

(2) Any condition imposed on an industrial concern or person under clause (1) shall be valid and shall be enforceable against such concern or person.

**28.** <sup>1</sup>[(1)] All loans granted to an industrial concern in foreign currency shall be repaid in accordance with such terms and conditions as may be determined by the Board either-

(i) in the currency in which they were granted; or

<sup>2</sup>[(ii) in Bangladesh currency at the rate of exchange prevailing on the date of payment or at such other rate as the Government may, by order, determine from time to time in this behalf.]

<sup>3</sup>[(2) Any loss incurred by, or profit accrued to, the Sangstha in connection with any foreign currency borrowed by it under clause (2) of Article 26 due to any fluctuation in any exchange rate shall be on the account of the recipient from the Sangstha of the foreign currency borrowed by it.

(3) The Sangstha may adopt an insurance policy to cover the risk of loss due to fluctuation in the exchange rate of the foreign currency borrowed by it under clause (2) of Article 26 and the recipient from the Sangstha of such foreign currency shall pay such premium for the insurance policy as the Sangstha may determine.]

**29.** (1) The Sangstha shall maintain proper accounts and prepare annual statement of accounts including the profit and loss account and balance sheet, and shall comply in respect of such accounts with such general direction as may be issued by the Government from time to time.

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<sup>1</sup> Article 28 was re-numbered as clause (1) by section 15 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1987 (Act No. XIX of 1987).

<sup>2</sup> Clause (ii) was substituted by section 2 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1983 (Ordinance No. L of 1983).

<sup>3</sup> Clauses (2) and (3) were added by section 15 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1987 (Act No. XIX of 1987).

<sup>1</sup>[(2) The accounts of the Sangstha shall be audited by not less than two auditors who shall be chartered accountants within the meaning of the Bangladesh Chartered Accountants Order, 1973 (P.O. No. 2 of 1973), and who shall be appointed by the Sangstha <sup>2</sup>[\* \* \*]:

Provided that the Government may, if it deems it expedient, appoint special auditors for undertaking special audit of the accounts of the Sangstha.]

(3) Every auditor appointed under clause (2) shall be given a copy of the annual balance sheet and other accounts of the Sangstha and shall examine <sup>3</sup>[it,] together with the accounts and vouchers <sup>4</sup>[relating] thereto, and shall have a list delivered to him of all books kept by the Sangstha, and shall at all reasonable times have access to books, accounts and other documents of the Sangstha, and may, in relation to such accounts, examine any Director or <sup>5</sup>[officer] of the Sangstha.

(4) The auditors shall report to the <sup>6</sup>[Government] upon the annual balance sheet and accounts, and in their report they shall state whether, in their opinion, the balance sheet contains all necessary particulars and is properly drawn up so as to exhibit a true and correct view of the state of affairs of the Sangstha and, in case they have called for any explanation or information from the Board, whether it has been given and whether it is satisfactory.

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<sup>1</sup> Clause (2) was substituted by section 16 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1987 (Act No. XIX of 1987).

<sup>2</sup> The words “with the prior approval of the shareholders in the annual general meeting” were omitted by section 8 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1993 (Act No. IV of 1993).

<sup>3</sup> The word and comma “it,” were substituted for the word “it” by section 12 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>4</sup> The word “relating” was substituted for the word “reltng” by section 12 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>5</sup> The word “officer” was substituted for the word “Officer” by section 12 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>6</sup> The word “Government” was substituted for the word “shareholders” by section 8 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1993 (Act No. IV of 1993).

(5) The Government may, at any time, issue directions to the auditors requiring them to report to it upon the adequacy of measures taken by the Sangstha for the protection of the interest of the <sup>1</sup>[Government] and of the <sup>2</sup>[creditors] of the Sangstha or upon the sufficiency of the procedure in auditing the affairs in the Sangstha, and may, at any time, enlarge or extend the scope of the audit or direct that different procedure in audit shall be adopted or that any other examination shall be made by the auditors or any other person or persons if, in its opinion, the interest of the <sup>3</sup>[Government] so requires.

**30.** (1) The Sangstha shall furnish to the Government such returns, reports and statements as the Government may from time to time require.

(2) The Sangstha shall, as soon as possible after the end of every financial year furnish to the Government a statement of accounts audited by the auditors under Article 29 together with an annual report on the working of the Sangstha during the year.

(3) The copies of the audited accounts and annual report received by the Government under clause (2) shall be published in the *official Gazette* and shall be laid before the Parliament.

**31.** (1) The Sangstha shall establish a reserve fund to which shall be credited such amount out of its net annual profit as the Board may determine.

(2) After deducting the amount under clause (1) and making provision for bad and doubtful debts, depreciation of assets and such other matters as are usually provided for by bankers or are considered expedient in the interest of the Sangstha, any surplus remaining thereafter shall be <sup>4</sup>[declared as dividends].

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<sup>1</sup> The word "Government" was substituted for the word "shareholders" by section 8 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1993 (Act No. IV of 1993).

<sup>2</sup> The word "creditors" was substituted for the word "credors" by section 12 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>3</sup> The word "Government" was substituted for the word "shareholders" by section 8 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1993 (Act No. IV of 1993).

<sup>4</sup> The words "declared as dividends" were substituted for the words "paid to the Government" by section 17 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1987 (Act No. XIX of 1987).

<sup>1</sup>[31A. The Sangstha may establish a fund to be called the Special Assistance Fund for providing concessional loans and advances to persons dealing with inventions and innovations in such sector as the Sangstha may decide in this behalf.]

**32.** Notwithstanding any agreement to the contrary, the Sangstha may, by notice, require any industrial concern to which it has granted any loan or any person who is liable for payment of such loan forthwith to repay the loan in full, if-

- (a) <sup>2</sup>[it] appears to the Sangstha that information, false or misleading in any material particular, has been given in the application for the loan; or
- (b) the industrial concern has failed to comply with the terms of any agreement with the Sangstha in the matter of the loan; or
- (c) there is a reasonable apprehension that the industrial concern is unable to pay its debts or may go into liquidation; or
- (d) the property pledged, mortgaged, hypothecated or assigned to the Sangstha as security for the loan, is not insured or kept insured by the industrial concern to the satisfaction of the Sangstha or has, in the opinion of the Sangstha, depreciated in value by more than twenty *percent* and further security to the satisfaction of the Sangstha is not given; or
- (e) without the permission of the Sangstha, machinery or other equipment or any asset is removed from the premises of the industrial concern without being replaced; or
- (f) without permission of the Sangstha, any property of the industrial concern is sold, transferred, exchanged or alienated in any manner; or

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<sup>1</sup> Article 31A was inserted by section 18 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1987 (Act No. XIX of 1987).

<sup>2</sup> The word “it” was substituted for the word “It” by section 13 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

- (g) without prior approval of the Sangstha in writing, the management of the industrial concern has been changed or altered; or
- (h) without any satisfactory reason, the industrial concern or the person responsible for payment of the loans has failed to attend or reply to the enquiries made by the Sangstha or failed to supply the papers or <sup>1</sup>[documents] asked for by the Sangstha; or
- (i) for any other reason, it is necessary, in the opinion of the Sangstha, to protect the interest of the Sangstha or of the industrial concern.

**32A.** *[Omitted by section 9 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1993 (Act No. IV of 1993).]*

**33.** <sup>2</sup>[(1) Where] the Sangstha becomes entitled to require the immediate payment of any loan before the due date under Article 32 or by reason of the breach of any condition of any agreement between the Sangstha and an industrial concern to which any loan has been granted or any person liable for payment of that loan, or where an industrial concern to which any loan has been granted or any person liable for payment of that loan fails to repay the loan by the due date or in compliance with the notice under Article 32, an officer of the Sangstha generally or specially authorised by the Board in this behalf, may apply to the District Judge within the local limits of whose jurisdiction the industrial concern carries on the whole or a substantial part of its business, or the office or Branch of the Sangstha from which the loan was disbursed is situated, for one or more of the following reliefs, namely:-

- (a) an order for the sale of the property pledged, mortgaged, hypothecated or assigned to the Sangstha as security for the loan or any other property of the industrial concern or of any person liable for payment of the loan or for payment of other sum relating thereto; or

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<sup>1</sup> The word “document” was substituted for the word and comma “document,” by section 13 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>2</sup> The brackets, figure and word “(1) Where” was substituted for the word “where” by section 14 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).



- (b) transfer of the management and administration, including the authority to operate the bank accounts, of the industrial concern to the Sangstha or to a person specified by the Sangstha; or
- (c) an order for injunction *ad interim* where there is apprehension that the machinery or equipment or other assets may be removed from the premises of the industrial concern without the permission of the Sangstha or the properties of any other person who is liable for payment of the loan or any other sum relating thereto may be transferred, removed or destroyed; or
- (d) an order for payment of the loan or any other sum relating thereto.

(2) An application under clause (1) shall state the nature and extent of the liability of the industrial concern to the Sangstha, the ground on which it is made and such other particulars as the Sangstha may consider necessary.

(3) When the application is for the relief mentioned in sub-clause (a) or sub-clause (c) of clause (1), the District Judge shall pass an order *ad interim*, attaching the property referred to in sub-clause (a) as aforesaid or such other property of the industrial concern or of the persons liable for payment of the loan or of both as is likely in his estimation to fetch, on being sold, an amount equivalent to the outstanding liability of the industrial concern to the Sangstha <sup>1</sup>[, together] with the costs of the proceedings taken under this Article, with or without an order of injunction *ad interim* restraining the industrial concern from transferring or removing any machinery or equipment or any other assets without the consent of the Sangstha or restraining the persons from transferring, removing or destroying the same.

(4) Where the application *is* for the relief mentioned in sub-clause (b) of clause (1), the District Judge shall pass an

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<sup>1</sup> The comma and word “, together” were substituted for the word “together” by section 14 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

order for injunction *ad interim* restraining the industrial concern from transferring or removing its machinery, equipment or any other assets and shall issue a notice calling upon industrial concern to show cause on a date to be specified in the notice why the management and administration, including the authority to operate the bank accounts, of the industrial concern, should not be transferred to the Sangstha or to a person specified by the Sangstha.

(5) Where the application is for the relief mentioned in sub-clause (d) of clause (1), the District Judge shall issue a notice calling upon the industrial concern or the person who is liable to make the payment to show cause on a date to be specified in the notice why an order for payment of the loan or any other sum relating thereto shall not be passed.

(6) Before passing any order under clause (3), (4) or (5), the <sup>1</sup>[District] Judge may, if he thinks fit, examine the person making the application.

(7) At the time of passing an order under clause (3), the District Judge shall issue to the industrial concern <sup>2</sup>[or to] the persons liable for payment of the loan or any other sum relating thereto a notice accompanied by a copy of the order, the application and evidence, if any, recorded by him calling upon it or him to show cause on a date to be specified in the notice why the order of attachment *ad interim* should not be made absolute or the injunction be not confirmed.

(8) If no cause is shown on or before the date specified in the notice <sup>3</sup>[under] clause (4) or (7), the District Judge shall

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<sup>1</sup> The word "District" was substituted for the word "Disrict" by section 14 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>2</sup> The words "or to" were substituted for the word and letter "or o" by section 14 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>3</sup> The word "under" was substituted for the word and comma ", under" by section 14 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

forthwith make the order *ad interim* absolute and direct the sale of the attached property or transfer the management and administration, including the authority to operate the bank accounts, of the <sup>1</sup>[industrial] concern to the Sangstha or to the person specified by the Sangstha or confirm the <sup>2</sup>[injunction].

(9) If no cause is shown on or before the date specified in the notice under clause (5), the District Judge shall pass an order for payment of the loan or any other sum relating thereto.

(10) If cause is shown, the District Judge shall proceed to investigate into the claim of the Sangstha and the provisions of the Code of Civil Procedure, 1908 (Act V of 1908), shall, as far as practicable, apply to such proceedings.

(11) On completion of the investigation under clause (10), the District Judge shall pass an order-

- (a) confirming the order of attachment or directing the sale of the attached property; or
- (b) varying the order of attachment so as to release a portion of the property from attachment and directing the sale of the <sup>3</sup>[remainder] of the attached property; or
- (c) releasing the property from attachment, if he is satisfied that it is not necessary in the interests of the Sangstha to retain it under attachment; or
- (d) confirming or vacating the injunction; or
- (e) transferring or refusing to transfer the management and administration, including the authority to operate the bank accounts, of the industrial concern to the Sangstha or to the person specified by the Sangstha; or

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<sup>1</sup> The word “industrial” was substituted for the word “Industrial” by section 14 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>2</sup> The word “injunction” was substituted for the word “injuction ” by section 14 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>3</sup> The word “remainder” was substituted for the word “reminder” by section 14 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

- (j) directing the payment of the loan or any other sum relating thereto:

Provided that when making any order under sub-clause (c), the District Judge may make such further orders as he thinks necessary to protect the interests of the Sangstha and may also allow the cost of the proceedings:

Provided further that unless the Sangstha intimates to the District Judge that it will not appeal<sup>1</sup>[against] any order releasing any property from attachment, such<sup>2</sup>[order] shall not be executed until the expiry of the period mentioned in clause (13), or if any appeal is preferred, unless the<sup>3</sup>[High Court Division] otherwise directs, until the appeal is disposed of.

(12) An order under this Article for the attachment or sale of property or payment of the loan or any other sum relating thereto shall be carried into effect as far as may be in the manner provided in the Code of Civil Procedure, 1908 (Act V of 1908), for the attachment or sale of property in execution of a decree or for the execution of a decree as if the Sangstha were the decree-holder.

(13) Any party aggrieved by an order made under clause (8), (9) or (11) may, within thirty days from the date of the<sup>4</sup>[order, appeal] to the<sup>5</sup>[High Court Division] and upon such appeal, the<sup>6</sup>[High Court Division] may, after hearing the parties, pass such orders as it thinks proper.

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<sup>1</sup> The word “against” was substituted for the word “agaist” by section 14 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>2</sup> The word “order” was substituted for the word and comma “order,” by section 14 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>3</sup> The words “High Court Division” were substituted for the words “High Court” by section 2 and the Schedule of the Banks and Financial Institutions Laws Amendment Act, 1980 (Act No. IX of 1980).

<sup>4</sup> The words and comma “order, appeal” were substituted for the words “order appeal” by section 14 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>5</sup> The words “High Court Division” were substituted for the words “High Court” by section 2 and the Schedule of the Banks and Financial Institutions Laws Amendment Act, 1980 (Act No. IX of 1980).

<sup>6</sup> The words “High Court Division” were substituted for the words “High Court” by section 2 and the Schedule of the Banks and Financial Institutions Laws Amendment Act, 1980 (Act No. IX of 1980).

**34.** (1) Where any industrial concern which is under a liability to the Sangstha under an agreement makes any default in payment or otherwise fails to comply with the terms of its agreement with the Sangstha, the Sangstha may, notwithstanding anything contained in Article 33, take over the management and administration of the industrial concern, and may sell or realise any property pledged, mortgaged, hypothecated or assigned by the industrial concern to secure its liability to the Sangstha.

(2) Any transfer of property made by the Sangstha in exercise of its powers of sale or realisation under clause (1) shall vest in the transferee all rights in or to the property transferred as if the sale had been made by the owner of the property and such transfer shall be final and binding on all the parties.

(3) The Sangstha shall have the same rights and powers with respect to goods manufactured or produced wholly or partly from goods forming part of any security held by it as it has with respect to the original goods.

(4) Where the Sangstha takes over the management and administration of an industrial concern under clause (1), it shall be deemed to be the owner of such concern for the purposes of suit by or against such concern, and shall sue and be sued in the name of the said concern.

<sup>1</sup>[(5) Where the Sangstha takes over the management and administration of an industrial concern under clause (1) or transfers any property in exercise of its powers of sale or realisation under that clause, such taking over or transfer shall not be called in question in or before any Court ; and no Court shall-

(a) entertain any suit, application or other legal proceeding-

(i) for a declaration that such taking over or transfer is illegal, ineffective or void, or

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<sup>1</sup> Articles (5) and (6) were added by section 2 of the Bangladesh Shilpa Rin Sangstha (Second Amendment) Ordinance, 1984 (Ordinance No. LXV of 1984).

- (ii) for setting aside or annulling any order or decision of the Sangstha relating to such taking over or transfer, or
- (iii) for an order of injunction or any other order prohibiting or restraining the Sangstha or any of its officers from such taking over or transfer; or
- (b) issue, make or pass any order of *ad interim* or temporary injunction or any other order prohibiting or restraining the Sangstha or any of its officers from such taking over or transfer.

(6) Where any certificate is issued by the Sangstha to the effect that it has taken over the management and administration of an industrial concern or transferred any property under clause (1), such certificate shall be conclusive evidence of the fact that the management and administration of such industrial concern has been taken over or such property transferred under that clause.]

**35.** (1) Without prejudice to the provisions of Articles 33 and 34, all sums due to the Sangstha shall be recoverable as arrears of land revenue:

Provided that no sum shall be so recovered unless fifteen days' notice has first, been given by the Sangstha to the debtor or any other person liable to pay the sum that the sum will be so recovered:

Provided further that in so giving notice, the Sangstha shall inform the debtor or any other person liable to pay the sum that he may pay by such instalments as may be fixed in the notice and that upon his so paying every instalment on or before the due date the recovery will be suspended but that it will otherwise proceed as to the entire sum outstanding in case of any default in any instalment including the first.

(2) In the application of the Public Demands Recovery Act, 1913 (Ben. Act III of 1913), for the purpose of recovery of the dues of the Sangstha, the provision of section 10A of the said Act shall apply, but the provisions of sections 7, 9, 10 and 13 thereof shall not apply, and the certificate issued under section 6 of the said Act shall be conclusive proof that the amount specified therein is due to the Sangstha.

**36.** The Board may, for the purpose of ensuring efficient functioning of the Sangstha and facilitating transaction of its daily business, by a resolution, delegate to the <sup>1</sup>[<sup>2</sup>[Chairman, Managing Director]] or any other Director or any officer of the Sangstha subject to such conditions and limitations, if any, as may be specified therein, such of its powers and duties under this Order as it may deem necessary.

<sup>3</sup>**36A.** The Board may, for the purpose of signing any loan agreement with any foreign loan giving agency or any paper connected therewith outside Bangladesh, by a resolution, delegate to the head of the Bangladesh Consulate or Mission or any officer of the Bangladesh Consulate or Mission posted in that country, subject to such conditions and limitations, if any, as may be specified therein, such of its powers under this Order as it may deem necessary.]

**37.** (1) Whoever wilfully makes a false statement or knowingly permits any false statement to be made or to remain, in any bill of lading, warehouse receipt or other document of title or any other document given to the Sangstha by way of security or otherwise in respect of any financial aid sought or granted under this Order, shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to two thousand Taka, or with both.

(2) Whoever wilfully withholds or fails to deliver to the Sangstha, as required by Article 23, any property or any book, document or other paper which may be in his possession or unlawfully retains in his possession any property of any of the said financial institutions which has vested in the Sangstha under Article 20 shall be punishable with imprisonment for a term which may extend to one year, or with fine, or with both.

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<sup>1</sup> The words “Managing Director” were substituted for the word “Chairman” by section 15 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>2</sup> The words and comma “Chairman, Managing Director” were substituted for the words “Managing Director” by section 2 and the Schedule of the Banks and Financial Institutions Laws Amendment Act, 1980 (Act No. IX of 1980).

<sup>3</sup> Section 36A was inserted by section 2 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1984 (Ordinance No. VIII of 1984).

(3) Whoever, without the consent in writing of the Sangstha, uses the name of the Sangstha in any prospectus or advertisement shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand Taka, or with both.

(4) No Court shall take cognizance of any offence punishable under this Order except upon a complaint in writing signed by an officer of the Sangstha authorised in this behalf by the Board.

**38.** (1) Anything done, action taken, order passed, appointment made, notification issued, or purporting to have been done, taken, passed, made or issued, by the Government in respect of the Credit and Investment Corporation, the Investment Corporation or the Investment Trust after the 16th day of December, 1971, and before the commencement of this Order shall be deemed to have been validly done, taken, passed, made or issued and shall have and shall be deemed always to have had effect accordingly, and shall not be called in question in any Court.

(2) Anything done or action taken in good faith in or in relation to the Credit and Investment Corporation, the Investment Corporation or the Investment Trust by anybody or person appointed by the Government after the 16<sup>th</sup> day of December, 1971, and before the commencement of this Order shall be deemed to have been validly done or taken and shall have and shall be deemed always to have had effect accordingly, and shall not be called in question in any Court.

**39.** No provision of law relating to the winding up of companies shall apply to the Sangstha and the Sangstha shall not be wound up save by order of the Government and in such manner as it may direct.

<sup>1</sup>[**39A.** (1) Notwithstanding anything contained in this Order, the Government may, if in the national interest it deems it expedient so to do, transfer, by agreement, the entire undertaking of the Sangstha to any company registered under the Companies Act, 1913 (VII of 1913), on such terms and conditions as may be settled with such company.

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<sup>1</sup> Article 39A was inserted by section 10 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1993 (Act No. IV of 1993).



(2) Where the entire undertaking of the Sangstha has been transferred under clause (1), the Sangstha shall, on such date as the Government may, by order notified in the *official Gazette*, specify, stand dissolved.

**Explanation** - The Undertaking of the Sangstha includes its business, projects, schemes, assets, properties, movable and immovable, cash balance, reserved funds, investment, rights, powers, authorities and privileges including rights and interests in, or arising out of, such properties and all books of accounts, registers, records and all other documents of whatever nature relating thereto and its borrowing, liabilities and obligations of whatever nature.

(3) Where the undertaking of the Sangstha has been transferred under clause (1),-

- (a) all contracts entered into and all matters and things engaged to be done by, with or for, the Sangstha shall be deemed to have been entered into or, as the case may be, engaged to be done by, with or for the company;
- (b) all suits and other legal proceedings instituted by or against the Sangstha shall be deemed to be suits and other legal proceedings by or against the company.

(4) The Government may, for the purpose of removing any difficulty in relation to the transfer of the undertaking of the Sangstha under clause (1) or the dissolution of the Sangstha under clause (2), make such order as it considers expedient and any such order shall be deemed to be, and given effect to as, part of the provisions of this Order.]

**40.** Any reference to the Credit and Investment Corporation, the Investment Corporation or the Investment Trust in any law, other than this Order, or in any contract, agreement, deed of trust or other instrument shall, in so far as it relates to the undertakings which have been transferred to the Sangstha under Article 20, be construed as a reference to the Sangstha.

**41.** If any difficulty arises in giving effect to the provisions of this Order, the Government may make <sup>1</sup>[such order], not inconsistent with the provisions of this Order, as may appear to it to be necessary for the purposes of removing the difficulty.

**42.** The Government may, by notification in the *official Gazette*, make rules for the purpose of giving effect to the provisions of this Order.

**43.** (1) The Board <sup>2</sup>[may, with the approval of the Government, make regulations], not inconsistent with the provisions of this Order and the rules, to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Order.

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

- (a) the calling of the meetings of the Board or any committee, fees for attending the meetings thereof and the conduct of business thereat;

<sup>3</sup>[\* \* \*]

- (b) the delegation of powers and functions of the Board to the <sup>4</sup>[<sup>5</sup>[Chairman, Managing Director]] or any other Director or any officer or other employees of the Sangstha;

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<sup>1</sup> The words “such order” were substituted for the words “such Order” by section 16 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>2</sup> The words and commas “may, with the approval of the Government, make regulations” were substituted for the words “may make regulations” by section 11 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1993 (Act No. IV of 1993).

<sup>3</sup> Sub-clause (aa) was omitted by section 11 of the Bangladesh Shilpa Rin Sangstha (Amendment) Act, 1993 (Act No. IV of 1993).

<sup>4</sup> The words “Managing Director” were substituted for the word “Chairman” by section 15 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

<sup>5</sup> The words and comma “Chairman, Managing Director” were substituted for the words “Managing Director” by section 2 and the Schedule of the Banks and Financial Institutions Laws Amendment Act, 1980 (Act No. IX of 1980).

- (c) the conditions subject to which the Sangstha may grant loans or equity support;
- (d) the manner of determining the sufficiency of the security for the purpose of business;
- (e) the manner and conditions subject to which the Sangstha may borrow in foreign currency;
- (f) the form of returns and statements required to be prepared under this Order;
- (g) the duties and conduct of officers and other employees of the Singstha;
- (h) the recruitment, remuneration, promotion and other terms and conditions of service of the officers and other employees of the Sangstha;
- (i) the establishment and maintenance of pension, provident or other fund for the benefit of officers and other employees of the Sangstha, including the dependents of such officers and other employees;
- (j) the provision of a seal of the Sangstha and the manner and effect of its use;
- (k) the disclosure of interest, direct or indirect, of any Director or any member of a <sup>1</sup>[committee] in any business concern;
- (l) taking over the management and control of any industrial or business concern committing a breach of its agreement with the Sangstha;
- (m) generally for the efficient conduct of the affairs of the Sangstha.

(3) All regulations made under this Article shall be published in the *official Gazette* and shall come into force on such publication.

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<sup>1</sup> The word “committee” was substituted for the word “Committee” by section 17 of the Bangladesh Shilpa Rin Sangstha (Amendment) Ordinance, 1977 (Ordinance No. XIV of 1977).

**44.** The Credit and Investment Corporation and the Investment Trust shall stand dissolved in Bangladesh on such date as the Government may, by notification in the *official Gazette*, appoint.

**45.** The Investment Corporation Ordinance, 1966 (Ordinance No. IV of 1966), is hereby repealed.

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