

**THE BANGLADESH HOUSE BUILDING FINANCE
CORPORATION ORDER, 1973**

PRESIDENT'S ORDER NO. 7 OF 1973

[3rd February, 1973]

WHEREAS it is expedient to provide for the establishment of the Bangladesh House Building Finance Corporation for the purposes of providing financial facilities for the construction, repair and remodelling of houses ¹[at any place] in Bangladesh.

NOW, THEREFORE, ²[in pursuance of] paragraph 3 of the Fourth Schedule to the Constitution of the People's Republic of Bangladesh 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 House Building Finance Corporation Order, 1973.

(2) It extends to the whole of Bangladesh.

(3) It shall come into force on such date as the Government may, by notification in the *official Gazette*, appoint.

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

- (a) "Board" means the Board of Directors of the Corporation;
- (b) "Borrower" means any person or persons or body of persons whether incorporated or not to whom a loan is made by the Corporation for the construction, repair or remodelling of a house;

¹ The words "at any place" were substituted for the words "in the cities, towns, thana Headquarters and any other important places" by section 2 of the Bangladesh House Building Finance Corporation (Amendment) Ordinance, 1984 (Ordinance No. XIV of 1984).

² The words "in pursuance of" were substituted for the words "in pursuance or " by section 2 of the Bangladesh House Building Finance Corporation (Amendment) Act, 1975 (Act No. XXVII of 1975).

- (c) “Corporation” means the Bangladesh House Building Finance Corporation established under this Order;
- (d) “Government” means the Government of the People’s Republic of Bangladesh;
- (e) “House” means any building intended for human habitation together with the land upon which it is situated and may comprise of one or more ¹[flats, apartments or other] housing units, and structures appurtenant thereto;

²[* * *]
- (f) “Managing Director” means the Managing Director appointed under Article 6 of this Order;
- (g) “Order” means the Bangladesh House Building Finance Corporation Order, 1973; and
- (h) “Prescribed” means prescribed by rules or regulations under this Order.

3. (1) A Corporation to be called the Bangladesh House Building Finance Corporation shall be established as soon as may be to carry out the purposes of this Order.

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

4. (1) The authorised capital of the Corporation shall be ³[taka one hundred and ten crores] to be subscribed by the Government from time to time.

¹ The words and comma “flats, apartments or other” were substituted for the word “family” by section 2 of the Bangladesh House Building Finance Corporation (Amendment) Ordinance, 1976 (Ordinance No. XXXIX of 1976).

² Sub-clause (ee) was omitted by section 2 of the Bangladesh House Building Finance Corporation (Amendment) Ordinance, 1977 (Ordinance No. XVIII of 1977).

³ The words “taka one hundred and ten crores ” were substituted for the words “ten crores of Takas” by section 2 of the Bangladesh House Building Finance Corporation (Amendment) Act, 1992 (Act No. LIV of 1992).

(2) The Corporation shall pay to the Government interest at the rate of two *percentum per annum* on the capital subscribed by the Government under clause (1).

5. (1) The general direction and administration of the Corporation and its affairs shall vest in a Board of Directors which, with the assistance of the Managing Director, may exercise all powers and do all acts and things which may be exercised or done by the Corporation.

(2) The Board in discharging its functions shall act on commercial considerations and shall be guided on questions of policy by such directions as the Government, which shall be the sole judge whether a question is a question of policy, may give it.

(3) If the Board fails to carry out any direction as aforesaid, the Government may remove the Directors and, notwithstanding anything in Article 7, may appoint other persons in their place to be Directors temporarily until a fresh Board is constituted in accordance with the provisions of that Article.

6. (1) The Managing Director shall be appointed by the Government for such period and on such salary and terms and conditions of service as the Government may determine.

(2) The Managing Director shall be the Chief Executive Officer and shall, on behalf of the Board, direct and control the whole affairs of the Corporation.

¹[(3) The Managing Director may sanction, in respect of each house or a unit thereof, loans not exceeding such ceiling as the Government may, from time to time, fix in this behalf and shall place before the meeting of the Board a list of all loans sanctioned by him for information.]

(4) The Managing Director shall have authority to cancel, sanction and reduce the sanctioned amount and recall loans under Article 25.

¹ Clause (3) was substituted by section 3 of the Bangladesh House Building Finance Corporation (Amendment) Ordinance, 1977 (Ordinance No. XVIII of 1977).

(5) In the matters not specifically required by this Order or by rules or regulations made thereunder to be done by the Board, the Managing Director shall in relation to such matter have authority to conduct the business, control functions and manage the affairs.

7. (1) The Board shall consist of a Managing Director¹[* * *] and not more than five other Directors to be appointed by the Government.

(2) Until the first Board is appointed under clause (1), the Managing Director appointed under Article 6 (1) shall exercise all powers, do all acts and things as may be exercised or done by the Board.

8. (1) A Director shall hold office during the pleasure of the Government but not for a period exceeding three years.

(2) A casual vacancy in the office of a Director shall be filled in by the appointment of another Director who, subject to the provisions of clause (1), shall hold office for the unexpired period of the term of his predecessor.

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

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

- (a) is a salaried official of the Corporation other than the Managing Director, or
- (b) is or at any time has been adjudicated insolvent, or
- (c) is found to be a lunatic or of unsound mind, or
- (d) 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

¹ The commas and the words “, who shall be the Chairman of the Board,” were omitted by section 2 and the Schedule of the Banks and Financial Institutions Laws Amendment Act, 1980 (Act No. IX of 1980).

(e) is subject to a disqualification imposed by or under any law for the time being in force to hold any public office, or

(f) is a minor.

10. A person shall cease to be a Director if he absents himself from three consecutive meetings of the Board without leave of absence from the Chairman.

¹[**10A.** (1) The Government shall appoint one of the Directors other than the Managing Director to be the Chairman of the Board.

(2) Subject to his continuing to hold office as a Director, the Chairman shall hold office as Chairman for the terms 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.]

11. (1) The Corporation may ²[, subject to other provisions of this Article,] appoint or employ such persons as it considers necessary for efficient performance of its functions on such terms and conditions as it may determine.

(2) Every officer or other employee of the ³[House Building Finance Corporation established under the House Building Finance Corporation Act, 1952,] in Bangladesh shall become

¹ Article 10A was inserted by section 2 and the Schedule of the Banks and Financial Institutions Laws Amendment Act, 1980 (Act No. IX of 1980).

² 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).

³ The words, commas and figure “House Building Finance Corporation established under the House Building Finance Corporation Act, 1952,” were substituted for the words “said Corporation” by section 4 of the Bangladesh House Building Finance Corporation (Amendment) Ordinance, 1976 (Ordinance No. XXXIX of 1976).

on the commencement of this Order, an Officer or other employee, as the case may be, of the Corporation and shall hold office or service in the Corporation on the same terms and conditions and with the same right and privileges as to Provident 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 Corporation is terminated or until his remuneration or terms and conditions are duly altered by the Corporation:

Provided that an officer or other employee may, within such time as may be specified by the Corporation, exercise his option to continue in the service of the Corporation:

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 services or in any award, settlement or agreement for the time being in force, the Corporation 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 Corporation, and if such alteration is not acceptable to an officer or other employee, the Corporation may terminate his employment by giving him compensation equivalent to three months' remuneration in case of a permanent officer or employee and one month's remuneration in case of temporary officer or 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 other 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 ¹[of the House Building Finance Corporation established under the House Building

¹ The words, commas and figure "of the House Building Finance Corporation established under the House Building Finance Corporation Act, 1952," were substituted for the words "of the Corporation" by section 4 of the Bangladesh House Building Finance Corporation (Amendment) Ordinance, 1976 (Ordinance No. XXXIX of 1976).

Finance Corporation Act, 1952,] 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.

¹[(5) Notwithstanding anything contained in this Article, the Government may appoint a General Manager of the Corporation on such terms and conditions as it may determine.]

12. The Corporation may appoint a Standing Committee of ²[experts] to be called the Technical Advisory Committee to give it technical advice on schemes submitted to the Corporation for financial assistance or on any point that may be referred to the Committee by the Board.

13. (1) The meetings of the Board shall be held at such times and at such places as may be prescribed, provided that until regulations are made in this behalf such meetings shall be convened by the Chairman of the Board.

(2) To constitute a quorum at a meeting of the Board, the number of Directors present shall be three if the Board consists of ³[six] Directors and two if the Board consists of less than ⁴[six] Directors.

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

(4) No Director shall vote on any matter relating to any application for a loan in which he is directly or indirectly interested.

¹ Clause (5) was inserted by section 2 and the Schedule of the Financial Institutions Laws Amendment Ordinance, 1977 (Ordinance No. LXI of 1977).

² The word “experts” was substituted for the word “exports” by section 4 of the Bangladesh House Building Finance Corporation (Amendment) Act, 1975 (Act No. XXVII of 1975).

³ The word “six” was substituted for the word “five” by section 2 and the Schedule of the Banks and Financial Institutions Laws Amendment Act, 1980 (Act No. IX of 1980).

⁴ The word “six” was substituted for the word “five” by section 2 and the Schedule of the Banks and Financial Institutions Laws Amendment Act, 1980 (Act No. IX of 1980).

(5) If for any reason the Chairman is unable to be present at a meeting of the Board, a Director authorised in writing by the Chairman shall preside at the meeting, and in the absence of any such authorisation the Directors present shall elect a Chairman to preside at the meeting.

14. The non-official Director, if any, shall be paid such fees for attending meetings of the Board as may be prescribed.

15. The Corporation shall have its Head Office at Dhaka and shall establish Zonal, Regional and Sub-Regional Offices and agencies at such places as the Board, with the concurrence of the Government may determine.

16. The Corporation may open deposit accounts with any bank or banks as may be decided by the Managing Director.

17. The Corporation may invest its funds in such securities or in such other manner as may be prescribed and may sell or mortgage such securities.

18. (1) The Corporation may, with the prior approval of the Government, raise funds for the purpose of raising its ¹[own] capital by issuing bonds and debentures carrying interest at such rates as may be approved by the Government:

Provided that the total amount due by the Corporation on such bonds and debentures and on other liabilities, contingent or otherwise of the Corporation, shall not at any time be allowed to exceed ²[fifteen] times aggregate amount of the paid-up share capital and the reserve fund of the Corporation.

(2) The repayment of the principal and the payment of interest due on the bonds and debentures issued by the Corporation shall be guaranteed by the Government.

¹ The word “own” was substituted for the word “won” by section 5 of the Bangladesh House Building Finance Corporation (Amendment) Act, 1975 (Act No. XXVII of 1975).

² The word “fifteen” was substituted for the word “ten” by section 3 of the Bangladesh House Building Finance Corporation (Amendment) Act, 1992 (Act No. LIV of 1992).

19. (1) The Corporation may accept deposits on such terms and conditions as may be approved by the Government.

(2) The Corporation may accept loan from the Government on such terms and conditions as may be determined by it.

20. Subject to the provisions of this Order, the Corporation may grant loans to borrowers for the purpose of constructing, repairing and remodelling houses.

21. (1) No loan shall be made unless it is fully secured by a mortgage, hypothecation or assignment of the land and the house to be constructed, repaired or remodelled thereon or by such other immovable or movable property of the borrower or of his surety ¹[or of] both as may be prescribed:

Provided that where the land on which it is proposed to construct, repair or remodel the house is held by the borrower not as owner but as mortgagee, lessee, sub-lessee or in any other capacity, then, notwithstanding anything to the contrary contained in any other law for the time being in force, loan may be made against the security of such land and the house to be constructed, repaired and remodelled thereon.

(2) All loans shall be made in suitable installments concomitant with the construction, repair or remodel of the house.

(3) No property shall be accepted as security unless it is free from all encumbrances and charges, and it shall be one of the terms upon which the loan shall be made that the property and the house in respect of which the loan is made shall not be sold or charged without the prior approval of the Corporation ²[and any sale, transfer made or charge or encumbrance created without the approval of the Corporation in respect of such property shall be null and void].

¹ The words “or of” were substituted for the words “or not” by section 6 of the Bangladesh House Building Finance Corporation (Amendment) Act, 1975 (Act No. XXVII of 1975).

² The words and comma “and any sale, transfer made or charge or encumbrance created without the approval of the Corporation in respect of such property shall be null and void” were inserted by section 6 of the Bangladesh House Building Finance Corporation (Amendment) Act, 1975 (Act No. XXVII of 1975).

(4) Notwithstanding anything contained in clause (3), the Corporation may, subject to the maximum limit prescribed in Article 22, grant additional loans to any borrower on the security of any property already mortgaged with the Corporation, and offered by that borrower and accepted by the Corporation as security for the purpose.

(5) No loan shall be made to any borrower unless he or where the borrower is more than one person any one or more of such persons is a member of an approved Housing Society, or unless the borrower satisfies the Corporation that the terms upon which he had acquired the land on which the house was to be constructed, repaired or remodelled, or the terms of the lease under which the land was made available were satisfactory and that the area in which the house was to be situated had been adequately planned.

(6) No loan shall be made unless the Corporation is satisfied-

- (a) that the borrower will be able to provide the necessary funds which added to the loan made by the Corporation, will cover the entire cost of the construction, repairing or remodelling of the house;
- (b) that the borrower or his surety or both as the case may be and where the borrower is more than one person, any one or more of such persons or their sureties, will have sufficient means to repay the loan during the prescribed period in the prescribed manner;
- (c) that adequate care has been taken to ensure that the house would be of an economical and suitable design and of a sound construction, and of a type which would assure a minimum of practicable expenditure for repairs and maintenance during the term of the loan.

(7) Before accepting any movable or immovable property as security, due allowance shall be made for depreciation and probable fall in value and whenever such property is found to fall in value below the margin allowed, additional security shall be obtained.

(8) The loan shall be repayable in monthly installments sufficient to cover the principal and the interest in such manner as may be prescribed.

(9) No loan shall be given for a period exceeding ¹[32] years.

(10) The rate of interest chargeable on loans made by the Corporation shall be determined by the Government from time to time.

(11) Every agreement between the borrower and the Corporation shall provide for the period within which the construction, repairing or remodelling of the house shall be commenced and completed.

(12) No information given by any person applying for financial assistance and communicated to any of the Directors or employees of the Corporation shall be disclosed by or used by such Directors or employees except for the lawful purposes of the Corporation without the written consent of such person.

(13) No loan shall be given to any ²[borrower unless he] conforms to such conditions as may be prescribed.

³[**22.** The Corporation shall not grant any loan of an amount which is less than Taka two thousand or of an amount which is, subject to such ceiling as the Government may, from time to time, fix in this behalf, more than that required to meet the cost of construction, repairing or remodelling of a house or a unit thereof.]

23. (1) The Corporation shall make such agreements with borrowers as it may deem necessary or expedient to safeguard its interest.

(2) The Corporation may require the borrower to pay application and inspection fees at such rates as may be prescribed.

¹ The figure “32” were substituted for the figure “30” by section 3 of the Bangladesh House Building Finance Corporation (Amendment) Ordinance, 1984 (Ordinance No. XIV of 1984).

² The words “borrower unless he” were substituted for the words “Housing Society unless it” by section 4 of the Bangladesh House Building Finance Corporation (Amendment) Ordinance, 1977 (Ordinance No. XVIII of 1977).

³ Article 22 was substituted by section 5 of the Bangladesh House Building Finance Corporation (Amendment) Ordinance, 1977 (Ordinance No. XVIII of 1977).

24. The Corporation shall not-

- (a) accept any deposits except as provided by this Order;
or
- (b) subscribe directly to the shares or stock of any company; or
- (c) undertake construction, repairing or re-modelling of houses except with prior approval of the Government. Provided that nothing in clause (b) shall affect the right of the Corporation to acquire the shares or stock of any company accepted as security from the borrower.

25. Notwithstanding any agreement to the contrary, the Corporation may by notice require any borrower to whom it has granted any loan or his surety forthwith to repay the loan in full-

- (a) if the borrower or his surety defaults in payment of loan ¹[* * *];
- (b) if it is found that the loan was obtained by information supplied by the borrower or his surety which was false or misleading in any material particular; or
- (c) if the borrower has committed a breach of the terms of his agreement with the Corporation relating to the loan;
or
- (d) if the loan is not being utilised for the purpose for which it was made; or
- (e) if the house is not constructed or as the case may be, repaired or remodelled within the period allowed in the agreement between the borrower ²[and the] Corporation and the failure is not due to causes beyond the control of the borrower;

¹ The words “for more than 24 monthly installments” were omitted by section 7 of the Bangladesh House Building Finance Corporation (Amendment) Ordinance, 1976 (Ordinance No. XXXIX of 1976).

² The words “and the” were substituted for the words “and he” by section 8 of the Bangladesh House Building Finance Corporation (Amendment) Act, 1975 (Act No. XXVII of 1975).

- (f) if there is a reason to apprehend that the borrower or his surety will be unable to pay his debts or may go into liquidation;
- (g) if the property pledged, mortgaged, hypothecated or assigned to the Corporation as security for the loan is not kept in a proper condition by the borrower or his surety or if the property has depreciated in value by more than the prescribed ¹[percentage] and the borrower is unable to give additional security to the satisfaction of the Corporation; or
- (h) if without the permission of the Board, the house, land or other mortgaged property as security for the loan is in any way disposed of or charged by the borrower or his surety; or
- (i) if for any other reason, it is necessary in the opinion of the Board to do so in order to protect the interest of the Corporation.

26. (1) When a borrower or his surety makes default in repayment ²[* * *] or otherwise fails to comply with the terms of the agreement or letter of guarantee with the Corporation, the Corporation notwithstanding the provisions of any other law may, without the intervention of any Court, sell any property pledged, mortgaged, hypothecated or assigned by the borrower or his surety, to the Corporation by way of security.

(2) Any transfer of property made by the Corporation in exercise of its powers under clause (1) shall vest in the transferee all rights in or to the property transferred as if the property had been sold to the transferee by the owner.

(3) All sums due to the Corporation from the borrower or his surety shall be recoverable as arrears of land revenue.

¹ The word “percentage” was substituted for the word “percentage” by section 8 of the Bangladesh House Building Finance Corporation (Amendment) Act, 1975 (Act No. XXVII of 1975).

² The words and figure “beyond 24 monthly installments” were omitted by section 8 of the Bangladesh House Building Finance Corporation (Amendment) Ordinance, 1976 (Ordinance No. XXXIX of 1976).

27. (1) Where by reason of the breach of any agreement by the borrower the Corporation becomes entitled to require the immediate payment of the amount due by the borrower to the Corporation, any officer of the Corporation authorised generally or specially by the Board in this behalf may apply to the District Judge within the local limits of whose jurisdiction the borrower's house is situated for any one or more of the following reliefs, namely:-

- (a) an order for the sale of any property or properties pledged, mortgaged, hypothecated or assigned to the Corporation as security for the sums due by the borrower;
- (b) for an injunction restraining the borrower or his surety from in any manner removing, transferring or disposing of any of the properties referred to in sub-clause (a);
- (c) for an *ad-interim* attachment attaching the properties referred to in sub-clause (a) above and such other properties of the borrower or his surety as in the opinion of the District Judge were sufficient to cover the claim of the Corporation against the borrower including costs and interest.

(2) An application under clause (1) shall state the nature and extent of the liability of the borrower and his surety to the Corporation, the grounds on which it is made and such other particulars as may be prescribed.

(3) The District Judge may if he thinks fit hear the applicant and where the reliefs mentioned in sub-clauses (b) and (c) of clause (1) are prayed for in the application shall pass *ad-interim* orders granting such reliefs as in the opinion of the District Judge are sufficient to safeguard the full claim of the Corporation against the borrower.

(4) At the time of passing his orders under clause (3) the District Judge shall order notice of the application to issue to the borrower and his surety together with copies of the applications, the order passed by the District Judge under clause (3), and any evidence which may have been recorded at the time of the order under clause (3), calling upon the borrower and his surety to show cause on a date to be specified in the notice, why the interim orders passed should not be confirmed and the reliefs sought in the application be granted.

(5) If no cause is shown on or before the date specified in the notice under clause (4), the District Judge shall dispose of the application.

(6) If the borrower and his surety appear and show cause, the District Judge shall grant them and the Corporation reasonable opportunity to produce their evidence relating to the reliefs claimed in the application, and after considering such evidence and hearing the parties, the District Judge shall pass his orders disposing of the application.

(7) When passing his order under clause (5) or clause (6), the District Judge shall-

- (a) record his finding as to the amount due by the borrower to the Corporation, and the interest payable thereon;
- (b) direct or refuse to direct the sale of the properties attached;
- (c) confirm, discharge or vary any *ad-interim* orders passed restraining the borrower and his surety or attaching their properties; and
- (d) pass any other incidental orders.

(8) No order passed by the District Judge ordering the release of any property of the borrower or his surety from attachment shall be given effect to until after the expiry of 30 days from the date of that order except with the written consent of the Corporation, or where an appeal has been preferred to the High Court Division, under the orders of the High Court Division.

(9) An order under this Article for the ¹[attachment or sale] of property shall be carried into effect as far as may be in the manner provided in the Code of Civil Procedure, 1908, for the ²[attachment or sale] of property in execution of a decree as if the Corporation were the decree-holder.

¹ The words “attachment or sale” were substituted for the words “attachment of sale” by section 9 of the Bangladesh House Building Finance Corporation (Amendment) Act, 1975 (Act No. XXVII of 1975).

² The words “attachment or sale” were substituted for the words “attachment of sale” by section 9 of the Bangladesh House Building Finance Corporation (Amendment) Act, 1975 (Act No. XXVII of 1975).

(10) Any party aggrieved by an order under clause (5) or clause (6) may within thirty days from the date of the order appeal to the High Court Division, and upon such appeal the High Court Division may after hearing the parties pass such orders as it thinks proper.

28. The Corporation shall be deemed to be a Bank for the purposes of the Bankers Books Evidence Act, 1891.

29. After making provision for bad and doubtful debts, depreciation of assets and any other matters which are usually provided for by a banker, the Corporation may out of its net annual profits establish a Reserve Fund or Funds, and any surplus remaining thereafter shall be paid to the Government.

¹[**29A.** For purposes of the Income Tax Act, 1922 (XI of 1922), the Corporation shall be deemed to be a Company within the meaning of that Act, and shall be liable to income-tax and super-tax accordingly on its income, profits and gains:

Provided that any sum paid by the Government under any guarantee given in pursuance of clause (2) of Article 18, shall not be treated as part of the income, profits and gains of the Corporation, and any interest on debentures or bonds paid by the Corporation out of such sum shall not be treated as expenditure incurred by it.]

30. (1) The accounts of the Corporation shall be audited by not less than two auditors being chartered accountants within the meaning of ²[Bangladesh Chartered Accountants Order, 1973 (P.O. No. 2 of 1973)] , who shall be appointed by the Government in consultation with the Comptroller and Auditor-General of Bangladesh, on such remuneration, to be paid by the Corporation, as the Government may fix, and the Comptroller and Auditor-General shall have the power to give directions to the auditors in regard to the extent and method of their audit

¹ Article 29A was inserted by section 10 of the Bangladesh House Building Finance Corporation (Amendment) Act, 1975 (Act No. XXVII of 1975).

² The words, comma, figures, brackets and letters “Bangladesh Chartered Accountants Order, 1973 (P.O. No. 2 of 1973)” were substituted for the words, comma and figure “Chartered Accountants Ordinance, 1961” by section 2 and the Schedule of the Banks and Financial Institutions Laws Amendment Act, 1980 (Act No. IX of 1980).

subject to the provisions of the Companies Act, and to prescribe the forms of accounts to be maintained by the Corporation consistent with the requirements of that Act.

(1A) Notwithstanding the provisions of the preceding clause, the Comptroller and Auditor-General, where the Government is required to make any payment on account of a guarantee given by it under clause (2) of Article 18, shall, and in other cases may, either of his own motion or upon a request received in this behalf from the Government, undertake such audit of the accounts of the Corporation at such time as may be considered necessary and the Corporation shall, at the time of such audit, produce the account books and connected documents at such place or places as the Comptroller and Auditor-General may fix, and furnish such explanations and information as the Comptroller and Auditor-General or an officer or officers authorised by him in this behalf may ask for.

(2) Every auditor appointed under clause (1) shall be given a copy of annual balance-sheet of the Corporation and shall examine it together with the accounts and vouchers relating thereto, and shall have a list delivered to him of all books kept by the Corporation, and shall at all reasonable times have access to the books, accounts and other documents of the Corporation and may in relation to such account examine any Director or officer of the Corporation.

(3) The auditors shall ¹[report] to the Government upon the annual balance-sheet and accounts and in their report they shall state whether in their opinion the balance-sheet is a full and fair balance-sheet containing all necessary particulars and properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs, and in case they have called for any explanation or information from the Board, whether it has been given and whether it is satisfactory.

(4) 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 Corporation for the protection of the

¹ The word "report" was substituted for the word "repport" by section 11 of the Bangladesh House Building Finance Corporation (Amendment) Act, 1975 (Act No. XXVII of 1975).

interests of the Government and of the creditors of the Corporation or upon the sufficiency of their procedure in auditing the affairs of the Corporation, and may at any time enlarge or extend the scope of the audit or direct that a different procedure in audit be adopted or that any other examination be made by the auditor if in its opinion the public interest so requires.

31. (1) The Corporation shall furnish to the Government within ten days of the date to which the statement relates, a statement in the prescribed form of its assets and liabilities as they stand at the close of business on the last Friday of each month, or if that day is a public holiday under the Negotiable Instruments Act, 1881, then as they stand at the close of business on the preceding working day.

(2) The Corporation shall furnish in the prescribed form to the Government such returns and statements at such intervals as the Government may require from time to time.

(3) The Corporation shall furnish to the Government within two months of the close of the financial year an audited statement in the prescribed form of its assets and liabilities as they stand at the close of that year together with a profit and loss account for the year and a report on the working of the Corporation during the year, and copies of the said statement, account and report shall be published in the *official Gazette* and shall be laid before the Parliament.

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

33. (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.

(2) A Director shall not be personally responsible for the acts of any other Director or of any officer or servant 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.

34. Every Director, auditor, officer or servant of the Corporation shall, before entering upon his duties, make a declaration of fidelity and secrecy in the form set out in the Schedule to this Order.

35. (1) Whoever wilfully makes a false statement or knowingly makes use of any false statement for the purpose of obtaining a loan from the Corporation or of inducing the Corporation to accept security of any form or kind shall be punishable with imprisonment for a term which may extend to two years, or fine which may extend to two thousand Taka or with both.

(2) Whoever without the consent in writing of the Corporation uses the name of the Corporation 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.

(3) Whoever being a Director, auditor, officer or servant of the Corporation contravenes his declaration of fidelity and secrecy shall be punishable with imprisonment for a term not exceeding six months or with fine which may extend to one thousand Taka or with both.

(4) Whoever being a member of the Board discloses or uses for a purpose not connected with the discharge of his duties as a member of the Board any information supplied to the Corporation or to the Board by a person applying for financial assistance 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.

(5) No Court shall take cognizance of any offence punishable under this Order otherwise than on a complaint in writing signed by an officer of the Corporation authorised by the Board in this behalf.

36. The Government may make rules not inconsistent with this Order for the purpose of giving effect to the provisions of this Order, and where the rules framed under this Article are inconsistent with the regulations framed under the next succeeding Article the rules shall prevail.

37. (1) The Board may, with the previous sanction of the Government, make regulations not inconsistent with this Order 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 ¹[prejudice] to the generality of the foregoing power, such regulations may provide for-

- (a) the calling of the meeting of the Board, fees for attending the meetings thereof and the conduct of business thereat;
- (b) the manner and terms of issue and redemption of bonds and debentures by the Corporation;
- (c) the conditions subject to which the Corporation may grant loans;
- (d) the form and manner of determining the sufficiency of the security taken under clause (7) of Article 21;
- (e) the form of returns and statements required under this Order;
- (f) the recruitment of officers and staff of the Corporation, the terms and conditions of their service, the duties and conduct of such officers and staff and of the agents of the Corporation, the Constitution and management of provident funds for such officers and staff and all matters connected with any of these things;
- (g) the disclosure of interest, ²[direct or] indirect of a Director of the Board in any application for loan;

¹ The word “prejudice” was substituted for the word “projudice” by section 12 of the Bangladesh House Building Finance Corporation (Amendment) Act, 1975 (Act No. XXVII of 1975).

² The words “direct or” were substituted for the words “direct of” by section 12 of the Bangladesh House Building Finance Corporation (Amendment) Act, 1975 (Act No. XXVII of 1975).

- (h) preparation of annual estimates of income and expenditure of the Corporation in the prescribed form and their submission to the Board and the Government for approval on prescribed date;
- (i) the efficient conduct of the affairs of the Corporation generally.

(3) All regulations made under this Article shall come into force on the date specified in each case, and shall be published in the *official Gazette* and shall also be laid on the table of the Parliament.

38. Notwithstanding anything contained in any other law for the time being in force, on the commencement of this Order,

- (a) all assets, rights, powers, authorities and privileges and all properties, movable and immovable, cash balances, bank deposits and all other rights and interests in or arising out of, such property of the House Building Finance Corporation established under the House Building Finance Corporation Act, 1952 (XVIII of 1952), shall stand transferred to and vested in the Corporation;
- (b) all liabilities and obligations of whatever kind of the said House Building Finance Corporation subsisting within the territory of Bangladesh immediately before the commencement of this Order shall, unless the Government otherwise directs, be the liabilities and obligations of the Corporation;
- (c) all suits and other legal proceedings instituted by or against the said House Building Finance Corporation unless the Government otherwise directs be deemed to have been instituted by or against the Corporation and may be continued or proceeded with accordingly; and
- (d) all rules framed and regulations made, in exercise of powers conferred under the House Building Finance Corporation Act, 1952, hereby repealed, ¹[shall,] unless repugnant to the subject or context, be deemed to have been framed or made under this Order.

39. The House Building Finance Corporation Act, 1952 (XVIII of 1952), is hereby repealed.

¹ The word and comma "shall," was substituted for the word "shall" by section 13 of the Bangladesh House Building Finance Corporation (Amendment) Act, 1975 (Act No. XXVII of 1975).

THE SCHEDULE
(See Article 34)

Declaration of Fidelity and Secrecy

I, hereby declare that I will faithfully, truly and to the best of my judgment, skill and ability, execute and perform the duties required of me as a Director, Officer, employee or auditor (as the case may be) of the Bangladesh House Building Finance Corporation and which properly relate to any office or position in the said Corporation held by me.

I further declare that I will not communicate to any person not legally entitled thereto any information relating to the affairs of the Corporation nor will I allow any such person to inspect or have access to any books or documents belonging to or in the possession of the Corporation and relating to the business of the Corporation.

Signed before me.

Signature

Signature

Signature
