

**THE BANGLADESH PETROLEUM CORPORATION
ORDINANCE, 1976**

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THE SCHEDULE

**¹THE BANGLADESH PETROLEUM
CORPORATION ORDINANCE, 1976**

ORDINANCE NO. LXXXVIII OF 1976

[13th November, 1976]

**An Ordinance to provide for the establishment of the
Bangladesh Petroleum Corporation.**

WHEREAS it is expedient to provide for the establishment of a Corporation for the purposes of import, refining and processing of crude petroleum, blending of lubricants, import, export and marketing of petroleum products including by-products and lubricants (but excluding natural gas), and for matters ancillary thereto;

NOW, THEREFORE, in pursuance of the Proclamations of the 20th August, 1975, and the 8th November, 1975 and in exercise of all powers enabling him in that behalf, the President is pleased to make and promulgate the following Ordinance:-

1. This Ordinance may be called the Bangladesh Petroleum Corporation Ordinance, 1976. Short title

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

- (a) “Board” means the Board of Directors of the Corporation;
- (b) “Chairman” means the Chairman of the Corporation;
- (c) “Corporation” means the Bangladesh Petroleum Corporation established under section 3;
- (d) “Director” means a Director of the Corporation;
- (e) “enterprise” means any firm or company engaged in any activity related to the processing, refining, blending or marketing of petroleum including its import, export, purchase, storage, sale or distribution;

¹ The Ordinance was declared void and non est by the Appellate Division of the Supreme Court of Bangladesh in Civil Petition for leave to Appeal Numbers 1044 and 1045 of 2009 and subsequently the Ordinance has been made effective as an Act of Parliament by ১৯৭৫ সালের ১৫ আগস্ট হইতে ১৯৭৯ সালের ৯ এপ্রিল তারিখ পর্যন্ত সময়ের মধ্যে জারীকৃত কতিপয় অধ্যাদেশ কার্যকরণ (বিশেষ বিধান) আইন, ২০১৩ (২০১৩ সনের ০৬ নং আইন), ধারা ৪।

(f) “petroleum” means hydro-carbons in liquid or solid state, processed or unprocessed, including by-products and lubricants but does not include natural gas; and

(g) “prescribed” means prescribed by rules or regulations made under this Ordinance.

Establishment
and
incorporation

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

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

Head Office, etc.

4. (1) The Head Office of the Corporation shall be at ¹[Chittagong].

(2) The Corporation may establish offices at such other places as the Board may think fit.

Authorised
Capital

5. (1) The authorised share capital of the Corporation shall be one crore Taka to be subscribed by the Government in the manner determined by the Government from time to time according to the requirements of the Corporation.

(2) Notwithstanding anything contained in sub-section (1), the Corporation may, for carrying out all or any of the functions, have separate capital raised by loan or grant from, or in such other manner and from such other sources including banks, local or foreign, as may be approved by the Government.

Functions of the
Corporation

6. Subject to the provisions of the Petroleum Act, 1974 (Act No. LXIX of 1974), and this Ordinance, the functions of the Corporation shall be-

(a) to acquire, import crude petroleum and other refined petroleum products;

¹ The word “Chittagong” was substituted for the word “Dacca” by section 2 of the Bangladesh Petroleum Corporation (Amendment) Act, 1990 (Act No. XXXII of 1990).

- (b) to refine crude petroleum and manufacture of various grades of refined petroleum products;
- (c) to set up refineries and ancillary facilities;
- (d) to import lubricating oil, both in the form of base stock, necessary additives and other chemicals as well as finished products;
- (e) to manufacture blended lubricating products;
- (f) to set up lubricating plants including plants for recycling or revamping of used lubricants;
- (g) to process and set up facilities for processing of refinery waste or residual products;
- (h) to plan and install petroleum (crude and refined) storage facilities;
- (i) to determine allocation of petroleum products against the marketing companies;
- (j) to procure inland oil tankers;
- (k) to establish and expand petroleum marketing facilities;
- (l) to export petroleum and petroleum products;
- (m) to act as managing agents of, or to enter into any management or any other agreement or contract with, any firm or company;
- (n) to supervise, co-ordinate and control the affairs of the enterprises;
- (o) to discharge any other function assigned or delegated to it by the Government from time to time; and
- (p) to do such other acts and things as may be necessary for carrying out the purposes of this Ordinance.

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

(2) In discharging its functions, the Board shall act on commercial considerations having due regard to public interest generally and shall be guided on question of policy by such instructions as may be given to it by the Government from time to time.

Board

8. (1) The Board shall consist of a Chairman and such other Directors, not exceeding five of whom two shall be *ex-officio*, as may be appointed by the Government on such terms and conditions as the Government may determine.

(2) One of the Joint Secretaries of the Ministry of Petroleum and Minerals and one of the Joint Secretaries of the Ministry of Finance shall be the *ex-officio* Directors.

(3) 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.

Chairman and other Directors

9. (1) The Chairman and other Directors, excluding *ex-officio* Directors, shall be whole time officers of the Corporation and subject to the provisions of section 11, hold office for a term of three years and shall be eligible for appointment thereafter for a further term or terms of such duration as the Government may determine.

(2) The Chairman or any other Director excluding an *ex-officio* Director, may, at any time, resign his office by notice in writing addressed to the Government:

Provided that his resignation shall not take effect until it has been accepted by the Government.

(3) The Chairman and the other Directors shall divest themselves of any directorship held by them in any other corporation or in any company otherwise than on behalf of the Corporation.

Functions of the Chairman and other Directors

10. (1) The Chairman shall be the Chief Executive of the Corporation.

(2) The Chairman and other Directors shall exercise such powers, perform such functions and discharge such duties as may be prescribed or as may be assigned by the Board from time to time.

(3) Until the first Board is constituted, the Chairman appointed under section 8(1) shall exercise all powers and do all acts and things as may be exercised or done by the Board.

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

Disqualifications and removal of Directors

- (a) is, or at any time has been, disqualified for employment in or dismissed from Government service; or
- (b) is, or at any time has been, convicted of an offence involving moral turpitude; or
- (c) is, or at any time has been, adjudicated insolvent; or
- (d) is found to be a lunatic or becomes of unsound mind; or
- (e) is a minor; or
- (f) 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.

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

- (a) refuses or fails to discharge or becomes, in the opinion of the Government, incapable of discharging his responsibilities under this Ordinance; or
- (b) has, in the opinion of the Government, abused his position as Chairman or any other Director; or
- (c) has knowingly acquired or continued to hold without the permission in writing of the Government directly or indirectly or through a partner any share or interest in any contract or employment with or by or on behalf of the Corporation.

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

Meeting of the Board

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

(2) To constitute a quorum at a meeting of the Board, the number of Directors present shall be three.

(3) The meetings of the Board shall be presided over by the Chairman and, in the absence of the Chairman by the Director authorised by the Chairman in writing in that behalf, or in default of such authorisation, by the person elected for the purpose by the Directors present from amongst themselves.

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

(5) No Director shall vote on any matter in which he has any personal interest directly or indirectly.

Formation of
new companies

13. The Corporation may, with the previous approval of the Government, sponsor formation of new companies for carrying out any of the purposes of this Ordinance, hold shares in such companies and permit any person whether or not a Bangladesh national, to hold shares therein.

Reserve Fund

14. Subject to such conditions as may be prescribed, the Corporation may, with the previous approval of the Government, establish a Reserve Fund.

Profit on crude
oil, etc.

15. The Corporation may realise, at such rates as may be approved by the Government, profit on the crude oil, refined petroleum and petroleum products imported by it and sold to the refineries and petroleum marketing companies, or on the surplus refinery products exported by it on purchase from the refineries.

Operation of
Accounts

16. The Corporation may open and operate any account with any bank or banks.

Investment in
securities

17. The Corporation may invest its funds in such shares and securities as may be authorised by the Government.

Disinvestment
of shares

18. The Corporation may, with the previous approval of the Government and on such terms and conditions as the Government may determine, disinvest any share held by it in any company.

19. The Corporation shall, by such date before the commencement of every financial year as the Government may direct, submit, in such manner and form as may be prescribed, to the Government for approval, a statement to be called the annual budget-statement, showing estimated receipts and expenditure of the Corporation in respect of that year.

Budget

20. (1) The Corporation shall maintain proper accounts and other relevant records, and prepare annual statement of accounts, including the profit and loss accounts and balance-sheet, in accordance with such general directions as may be issued, and in such form as may be prescribed, by the Government.

Account and
Audit

(2) The accounts of the Corporation shall be audited by not less than two auditors, being chartered accountants within the meaning of the Bangladesh Chartered Accountants Order, 1973 (P.O. No. 2 of 1973), who shall be appointed with the approval of the Government by the Corporation on such remuneration as it may think fit, and such remuneration shall be paid by the Corporation.

(3) Every auditor appointed under sub-section (2) shall be given a copy of the annual balance-sheet and other accounts of the Corporation and shall examine it together with the account books 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 accounts examine any Director or officer of the Corporation.

(4) The auditors shall 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 contains all necessary particulars and is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs, and if they have called for any explanation or information from the Board whether it has been given and whether it is satisfactory.

21. (1) The Corporation shall furnish to the Government such reports and statements as the Government may from time to time require.

Reports, etc.

(2) The Corporation shall, as soon as possible after the end of every financial year, furnish to the Government statement of audited accounts together with annual report on the conduct of its affairs during that year.

Appointment of officers, etc.

22. The Corporation may, subject to such regulations as may be made in this behalf, appoint such officers, consultants, advisors, auditors and employees as it considers necessary for the efficient performance of its functions on such terms and conditions as it may determine.

Delegation of powers

23. The Corporation may, by general or by special order in writing, direct that such of its powers, shall, in such circumstances and under such conditions, if any, as may be specified in the order, be exercisable also by such of its Directors or officers as may be specified.

Alteration, etc., of Memorandum of Association, etc.

24. Notwithstanding the provisions of the Companies Act, 1913 (VII of 1913), the Corporation may amend, alter or modify the Memorandum and Articles of Association of any Company wholly owned by it.

Acquisition of land, etc.

25. (1) The Corporation may acquire, for carrying out the purposes of the Ordinance, by purchase, lease, exchange or otherwise any land or interest in land.

(2) The acquisition under this section of any land or interest in land shall be deemed to be an acquisition for a public purpose within the meaning of the Land Acquisition Act, 1894 (I of 1894) and the provision of the said Act shall apply to all such proceedings.

Public Servants

26. The Chairman, Directors, officers, advisors or employees of the Corporation shall, while acting or purporting to act in pursuance of the provisions of this Ordinance or the rules or regulations made thereunder, be deemed to be Public Servants within the meaning of section 21 of the Penal Code (XLV of 1860).

- 27.** No suit, prosecution or other legal proceedings lie against the Chairman, any Director or any officer, adviser, consultant or employee of the Corporation for anything which is in good faith done or intended to be done under this Ordinance. Indemnity
- 28.** No provision of law relating to the winding up of companies 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. Winding up of the Corporation
- 29.** The Government, by notification in the *official Gazette*, make rules for carrying out the purposes of this Ordinance. Power to make rules
- 30.** (1) The Corporation may, with the previous approval of the Government, make regulations, not inconsistent with the provisions of this Ordinance and the rules, to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to this Ordinance. Power to make regulations
- (2) All regulations made under this section shall be published in the *official Gazette* and shall come into force on such publication.
- 31.** Upon the establishment of the Corporation under section 3,- Transfer of certain functions and rights, etc.
- (a) the functions to be performed by the Corporation under section 6 shall not be performed by the Bangladesh Oil and Gas Corporation, also called PETROBANGLA except to the extent covered specifically by any production sharing agreement or contract existing immediately before the commencement of this Ordinance;
- (b) subject to clause (a), all rights, liabilities and obligations of the Government or PETROBANGLA which, whether arising out of any contract or otherwise, were acquired or incurred by it for any of the purposes referred to in section 6 before the date of the establishment of the Corporation, shall be deemed to have been acquired or incurred by the Corporation and shall be the rights, liabilities and obligations respectively of the Corporation;

- (c) the assets and shares, undertakings and liabilities vested in the Government and enumerated in the Schedule shall stand transferred to, and vest in, the Corporation;
- (d) the services of such officers and other employees, as may be agreed upon between the Corporation and the PETROBANGLA, shall be transferred to the Corporation on the same terms and conditions of service as were applicable to them immediately before the establishment of the Corporation:

Provided that the Corporation may vary or alter any condition of service of such officers or employees subject to its being not to their disadvantage.

Power to amend
the Schedule

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

THE SCHEDULE

[See section 31]

(1) assets of the following companies vested in the Government under Article 4 of the Bangladesh Abandoned Property (Control, Management and Disposal) Order, 1972 (P.O. No. 16 of 1972) and all liabilities of those companies as have been accepted by the Government, namely:-

- (a) Pakistan National Oil Ltd.
- (b) Dawood Petroleum Ltd.

(2) the shares owned by the Government in the Eastern Refinery Limited including the shares vested in the Government under Article 4 of P.O. No. 16 of 1972 or under Article 4 of the Bangladesh Industrial Enterprises (Nationalisation) Order, 1972 (P.O. No. 27 of 1972);

(3) the shares vested in the Government in the Burmah Eastern Limited under Article 4 of P.O. No. 16 of 1972;

(4) the shares vested in the Government in the Eastern Lubricant Blenders Ltd. under Article 4 of P.O. No. 16 of 1972;

(5) the undertaking of erstwhile ESSO Eastern Inc. of the United States acquired by the Government under section 4 of the ESSO Undertaking Acquisition Act, 1975 (XVI of 1975).

¹[(6) the assets, undertakings and liabilities of the Indo-Burma Petroleum Company Limited Vested in the Government under section 3(1)(a) of the Enemy Property (Continuance of Emergency Provisions) (Repeal) Act, 1974 (XLV of 1974).]

¹ Item (6) was added by SRO No. 287-L/81, dated on 1/9/1981.