

THE FOREST INDUSTRIES DEVELOPMENT CORPORATION ORDINANCE, 1959
(EAST PAKISTAN ORDINANCE NO. LXVII OF 1959).

[3rd October, 1959]

An Ordinance to establish a Corporation for the purpose of promoting the development of Forest Industries in Bangladesh. 1

WHEREAS it is expedient to establish a Corporation for the purpose of promoting the development of Forest Industries and industries based on forest products and water resources in the Forest areas in Bangladesh.

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

Short title, extent and commencement

1. (1) This Ordinance may be called the 2[* * *] Forest Industries Development Corporation Ordinance, 1959.

(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.

Interpretation

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

(a) "Board" means the Board of Directors of the Corporation;

(b) "Corporation" means Bangladesh Forest Industries Development Corporation established under this Ordinance;

(c) "Prescribed" means prescribed by rules or regulations under this Ordinance; and

(d) "Schedule" means schedule appended to this Ordinance.

Establishment and incorporation

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

Share Capital

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

(2) The Government shall be a share holder of the Corporation and shall subscribe to and hold not less than fifty-one per centum of the shares issued by the Corporation at any time, the remaining shares being open for public subscription.

(3) Nothing in sub-section (1) shall prevent the Corporation from increasing the authorised share capital as it may think fit with the previous sanction of the Government.

Management

5. (1) The general direction and administration of the Corporation and its affairs shall vest in a Board, which 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 involving the national interest (including commercial and industrial interest) by such directions as the Government, which shall be the sole judge whether the national interest is involved, may give it from time to time.

(3) If the Board fails to carry out any direction as aforesaid, the Government may remove the Directors including the Chairman, and notwithstanding anything contained in section 6, appoint persons in their place to be Directors temporarily until a fresh Board of Directors are appointed in accordance with the provision of that section.

Appointment and terms of office of Directors

6. (1) The Board shall consist of not more than five Directors including Chairman to be appointed by the Government.

(2) Each Director shall:-

(a) be a wholetime officer of the Corporation;

(b) perform such duties as the Board may by regulations assign to him;

(c) divest himself of any directorship or other interest held by him in any Corporation, company or concern other than companies sponsored by the Corporation under sub-section (2) of section 14 before assuming office as Director;

(d) hold office for a term of three years unless sooner removed or transferred by the Government and may be appointed thereafter for a further term or terms of such duration as the Government may in appointing him thereafter, determine; and

(e) receive such salary and allowances as the Government may determine:

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

Chairman

7. (1) The Government shall appoint one of the Directors 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 a term of three years and subject as aforesaid shall remain in office as Chairman thereafter until his successor in that office is appointed and be eligible to hold that office for a further like term or terms.

Disqualification of Directors

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

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

(b) is or at any time has been adjudicated insolvent; or

(c) is found to be lunatic or of unsound mind; or

(d) is a minor.

(2) No Director shall continue in office after absenting himself from three consecutive meetings of the Board without the leave of absence from the Chairman, or, in the case of the Chairman, from the Government.

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

Appointment of officers, etc

9. The Corporation may appoint such officers, advisers and employees as it considers necessary for the efficient performance of its functions on such terms and conditions as may be prescribed by rules.

Meeting of the Board

10. (1) The meeting of the Board shall be held at such time and such places as may be prescribed by rules:

Provided that until rules 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, not less than two Directors shall be present.

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

(4) If for any reason the Chairman is unable to be present at a meeting, the Director so authorised by him in writing shall preside at the meeting, and in default of such authorisation, the Directors shall elect from among themselves a Chairman to preside at that meeting.

Head Office

11. The Corporation shall establish its head office in Dhaka.

Deposit Account

12. The Corporation may open a deposit account with the 3[Bangladesh Bank] or with any agency of the 4[Bangladesh Bank] other than a Government Treasury or with the prior approval of the Government, with any other Scheduled Bank.

Investment Funds

13. The Corporation may invest its funds in such securities of the 5[Government] or in such other manners as may be prescribed by rules.

Business which the Corporation shall transact

14. (1) The Corporation shall submit, for the approval of the Government, schemes for the establishment of the industries specified in the Schedule to this Ordinance.

(2) The Corporation shall, as soon as may be, proceed to give effect to any scheme so approved by sponsoring public companies (hereinafter referred to in this section as 'The aforesaid companies') incorporated under the 6[Companies Act, 1994 (Act No. 18 of 1994)], and independent of each other and having as their object manufacturing undertakings in the industry concerned:

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

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

(4) Nothing in 7[section 160 of the Companies Act, 1994 (Act No. 18 of 1994)], shall apply to the Corporation.

(5) The Corporation shall be represented in the Board of Directors of the aforesaid Companies.

(6) The Corporation may issue the capital required by the aforesaid companies for public subscription and if any portion thereof remains unsubscribed for a period of four months from the date of issue it shall be subscribed by the Corporation.

(7) The Corporation may underwrite the whole or any portion of the share capital so issued.

(8) The Corporation may when it deems fit sell or transfer the shares subscribed by it under sub-section (6) :

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

(9) The Corporation may, with the previous sanction of the Government and on such terms and conditions as may be approved by the Government, borrow in foreign currency from any International

Bank or otherwise moneys required for development of industries specified in the schedule to this Ordinance.

Audit

15. The Government shall appoint auditors who shall be persons holding a certificate under 8[section 212 of the Companies Act, 1994 (Act No. 18 of 1994)] on such remuneration as it may fix and such remuneration shall be paid by the Corporation.

Account

16. An audited statement of accounts shall be furnished to the Government by the Corporation as soon as possible after the end of every financial year.

Annual Report

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

Power of Government to make rules

18. The Government may make rules not inconsistent with this Ordinance for the purpose of giving effect to the provision of this Ordinance and where the rules made under this section are inconsistent with the regulations made under the next succeeding section, the rules shall prevail.

Power of Board to make Regulations

19. (1) The Board may, with the previous approval of the Government, make regulations not inconsistent with this Ordinance or rules made thereunder to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Ordinance.

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

- (a) the procedure of meeting of the Board;
- (b) the investment of the Corporation's funds; and
- (c) the sale or transfer of shares under sub-section (8) of section 14.

Power to amend schedule

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

Repeal of East Pakistan Ordinance LXIII of 1958 21. [Repeal of East Pakistan Ordinance LXIII of 1958.- Repealed by section 2 and the First Schedule of the East Pakistan Repealing and Amending Ordinance, 1966 (East Pakistan Ordinance No. XIII of 1966).]

1 Throughout this Ordinance, the words “Bangladesh”, “Government” and “taka” were substituted for the words “East Pakistan”, “Provincial Government” and “rupees” respectively by section 3 and the Second Schedule of the Bangladesh Laws (Revision And Declaration) Act, 1973 (Act No. VIII of 1973)

2 The words “East Pakistan” were omitted by Article 6 of the Bangladesh (Adaptation of Existing Laws) Order, 1972 (President's Order No. 48 of 1972)

3 The words “Bangladesh Bank” were substituted for the words “State Bank of Pakistan” by section 3 and the Second Schedule of the Bangladesh Laws (Revision And Declaration) Act, 1973 (Act No. VIII of 1973)

4 The words “Bangladesh Bank” were substituted for the words “State Bank” by section 3 and the Second Schedule of the Bangladesh Laws (Revision And Declaration) Act, 1973 (Act No. VIII of 1973)

5 The word “Government” was substituted for the words “Provincial or the Central Government” by section 3 and the Second Schedule of the Bangladesh Laws (Revision And Declaration) Act, 1973 (Act No. VIII of 1973)

6 The words, comma, figures and brackets “Companies Act, 1994 (Act No. 18 of 1994)” were substituted for the words, comma, figures and brackets “Companies Act, 1913 (VII of 1913)” by section 3 and the Second Schedule of the Bangladesh Laws (Revision And Declaration) Act, 1973 (Act No. VIII of 1973)

7 The words, figures, comma and brackets “section 160 of the Companies Act, 1994 (Act No. 18 of 1994)” were substituted for the words, figures, comma and brackets “section 87A of the Companies Act, 1913 (VII of 1913)” by section 3 and the Second Schedule of the Bangladesh Laws (Revision And Declaration) Act, 1973 (Act No. VIII of 1973)

8 The words, figures, comma and brackets “section 212 of the Companies Act, 1994 (Act No. 18 of 1994)” were substituted for the words, figures, comma and brackets “section 144 of the Companies Act, 1913 (VII of 1913)” by section 3 and the Second Schedule of the Bangladesh Laws (Revision And Declaration) Act, 1973 (Act No. VIII of 1973)