

The Industrial Development Corporation Ordinance, 1962

(Ordinance NO. XXXVII OF 1962)

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

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

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

Short title, extent and commencement

1. ²[(1) This Ordinance may be called the Industrial Development Corporation Ordinance, 1962.
- (2) It extends to the whole of Bangladesh.]
- (3) It shall come into force at once.

Definitions

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) “Chairman” means the Chairman of the Corporation;
 - ³[(c) “Corporation” means the Bangladesh Industrial Development Corporation;]
 - (d) “Director” means the Director of the Corporation;
 - ⁴[(e) “Government” means the Government of the People's Republic of Bangladesh;]
 - (f) “Minerals” means all minerals excluding minerals necessary for the generation of nuclear energy and mineral oil and natural gas;

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

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

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

**Establishment
of the
Corporation
and its
offices**

3. (1) As soon as may be after the commencement of this Ordinance, the Government shall establish a corporation to be called the ⁵[Bangladesh] Industrial Development Corporation.

(2) The Corporation shall be a body corporate by the name of the ⁶[Bangladesh Industrial Development Corporation], having perpetual succession and a common seal with power, subject to the provisions of this Ordinance, to acquire and hold property, both movable and immovable, and shall by the said name sue and be sued.

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

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

**Share
Capital**

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

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

Management

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

(2) The Board, in discharging its functions shall act on commercial considerations and shall be guided by such directions as the Government

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

**Appointment
and term of
office of
Directors**

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

(2) Each Director shall-

(a) be a whole-time officer of the Corporation;

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

(c) divest himself of any directorship or other interest held by him in any other Corporation, company or concern other than public companies sponsored by the Corporation under sub-section (5) of section 15 before assuming office as Director;

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

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

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

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

Chairman

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

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

**Tenure of
the
Chairman
and
Directors**

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

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

**Disqualification
of Directors**

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

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

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

(c) is found a lunatic or becomes of unsound mind; or

(d) is or at any time has been disqualified for employment in, or dismissed from the service of ⁷[Bangladesh]; or

(e) is a minor.

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

(a) refuses or fails to discharge or becomes, in the opinion of the Government, incapable of discharging his responsibilities under this Ordinance; or

(b) has, in the opinion of the Government, abused his position as Chairman or Director; or

(c) has knowingly acquired or continued to hold, without the permission in writing of the Government, directly or indirectly, or through a partner, any share or interest in any contract or employment with, by or on behalf of the Corporation, or in any property which, in his knowledge, is likely to benefit or has benefited as a result of the operations of the Corporation; or

(d) has absented himself from three consecutive meetings of the Board without the leave of the Government in the case of the Chairman, or of the Chairman in the case of a Director.

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

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

Appointment of officers

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

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

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