

The Bangladesh Biman Corporation Ordinance, 1977

(Ordinance NO. XIX OF 1977)

An Ordinance to provide for the establishment of the Bangladesh Biman Corporation.

WHEREAS it is expedient to provide for the establishment of a Corporation for the purpose of ensuring proper operation and development of air transport services and for matters connected therewith;

NOW, THEREFORE, in pursuance of the Proclamations of the 20th August, 1975, and 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:-

- Short title** 1. This Ordinance may be called the Bangladesh Biman Corporation Ordinance, 1977.
- 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 Board;
- (c) "Corporation" means the Bangladesh Biman Corporation established under section 3;
- (d) "Director" means a Director of the Corporation;
- (e) "Managing Director" means the Managing Director of the Corporation;
- (f) "prescribed" means prescribed by rules or regulations made under this Ordinance.
- Establishment of the Corporation** 3. (1) On the commencement of this Ordinance, there shall be established a Corporation to be called the Bangladesh Biman Corporation for carrying out the purposes of this Ordinance.

(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 Dacca.

(2) The Corporation may establish offices at such other places, in Bangladesh and abroad, as the Board may think fit.

**Authorised
Capital**

5. ¹[(1) The authorised share capital of the Corporation shall be two hundred crore Taka divided into two crore shares of one hundred Taka each:

Provided that the Government may increase the authorised share capital of the Corporation from time to time and shall divide the increased share capital into required number of shares of one hundred Taka each.]

(2) The paid-up share capital of the Corporation shall, in the first instance, be five crore Taka, and may, with the approval of the Government, be increased from time to time, of which not less than fifty-one per cent shares shall be subscribed for by the Government and the remaining shares shall be subscribed, in such manner, at such time and to such extent as the Government may determine, either by the Government or by the public.

(3) Notwithstanding anything contained in sub-section (1), the Corporation may, for carrying out all or any of its functions, raise loans or obtain grants in such manner and from such sources including banks, local or foreign, as may be approved by the Government.

(4) The shares of the Corporation shall be listed on the Stock Exchange in Bangladesh prior to the issue of any shares for public subscription.

**Shares to
be
approved
securities**

6. The shares of the Corporation shall be deemed to be included among the securities enumerated in section 20 of the Trusts Act, 1882 (II of

1882), and to be approved securities and approved investments for the purposes of the Insurance Act, 1938 (IV of 1938).

**Functions
of the
Corporation**

7. (1) It shall be the function of the Corporation to provide and develop safe, efficient, adequate, economical and properly coordinated air transport services, internal as well as international, and the Corporation shall so exercise its powers as to secure that the air transport services are developed to the greatest possible advantage in the interest of the country.

(2) Without prejudice to the generality of the foregoing provision, the Corporation shall, in particular, have power-

(a) to acquire, charter, hold or dispose of aircraft;

(b) to operate any air transport service or any flight by aircraft for a commercial or other purpose, and to carry out all forms of aerial work;

(c) to repair, overhaul, construct, recondition or assemble aircraft and other vehicles;

(d) to assemble, manufacture, recondition, overhaul or repair machines, parts, accessories and instruments pertaining to aircraft and other vehicles;

(e) to establish, institute or make other arrangement for the instruction and training of persons engaged or likely to be engaged in any activity connected with or ancillary to air transport service;

(f) to acquire, hold or dispose of any property, whether movable or immovable;

(g) to acquire, own, run, manage or participate in the running or management of any other business or commercial undertaking with the approval of the Government;

(h) to do all other things connected with or ancillary to any of the matters referred to in sub-clauses (a) to (f);

(i) to perform such other function as may be assigned to it by the Government by notification in the official Gazette.

Management

8. (1) Subject to rules and regulations made under this Ordinance, the general direction and superintendence 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.

(2) The Board, in discharging its functions, shall act on commercial considerations having due regard to public interest generally and be guided by such general or special instructions as may be given to it by the Government from time to time.

Board of Directors

9. (1) The Board of Directors shall consist of a Chairman, a Managing Director and not less than six and not more than ten other Directors, to be appointed by the Government:

Provided that when there are shareholders other than the Government, such shareholders shall elect, in such manner as may be prescribed, from amongst themselves-

(a) one Director, when the number of shares subscribed for by them exceeds twenty per cent, but does not exceed thirty-four per cent of the total shares;

(b) two Directors, when the number of shares subscribed for by them exceeds thirty-four per cent of the total shares.

(2) The Chairman, the Managing Director and the other appointed Directors shall hold office for such period and on such terms and conditions as the Government may determine.

(3) An elected Director shall hold office for a term of two years and shall continue in office thereafter until his successor is elected, and shall be eligible for re-election.

(4) A casual vacancy in the office of an elected Director shall be filled by election and the person elected to fill such vacancy shall hold office for the unexpired period of the term of his predecessor:

Provided that it shall not be necessary to fill a casual vacancy in the office of an elected Director for a period of less than three months.

Managing Director

10. The Managing Director shall be a whole time officer and the chief executive of the Corporation and shall exercise such powers and perform such functions as may be assigned to him by the Board or as may be prescribed.

Disqualifications of Directors

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

- (a) is or at any time has been adjudicated insolvent;
- (b) is found to be a lunatic or of unsound mind;
- (c) or at any time has been convicted of an offence which, in the opinion of the Government, is an offence involving moral turpitude;
- (d) is a minor; 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.

Meetings of the Board

12. (1) The meetings of the Board shall be held at such times and 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 not less than three Directors including the Chairman shall be present.

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

(4) If, for any reason, the Chairman is unable to preside over a meeting, it shall be presided over by a Director nominated by the Chairman for the purpose, and in default of such nomination, by such Director as the Directors present may choose.