

The
Bangladesh  Gazette

Extraordinary
Published by Authority

WEDNESDAY, JUNE 1, 1977

GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH

MINISTRY OF FINANCE

Investment Wing

Section III

NOTIFICATIONS

Dacca, the 31st May 1977.

No. S.R.O. 162-L/77/MF/Invest-III/BSRS-1/77.—In exercise of the powers conferred by clause (2) of Article 9 of the Bangladesh Shilpa Rin Sangstha Order, 1972 (President's Order No. 128 of 1972), the Government is pleased to terminate with immediate effect the appointment of Mr S. A. Khayer, as Director of the Bangladesh Shilpa Rin Sangstha.

No. S.R.O. 163-L/77/MF/Inv-III/BSRS-1/77.—In exercise of the powers conferred by clause (1) of Article 8 of the Bangladesh Shilpa Rin Sangstha Order, 1972 (President's Order No. 128 of 1972), the Government is pleased to appoint Mr Badius Salam to be a Director of the Bangladesh Shilpa Rin Sangstha with immediate effect.

No. S.R.O. 164-L/77/MF/Inv-III/BSB-2/77.—In exercise of the powers conferred by clause (2) of Article 9 of the Bangladesh Shilpa Bank Order, 1972 (President's Order No. 129 of 1972), the Government is pleased to terminate with immediate effect the appointment of Mr Rashid Ahmed as Director of the Bangladesh Shilpa Bank.

(5769)

Price: Taka 1.00

No. S.R.O. 165-L/77/MF/Invest-III/BSB-2/77.—In exercise of the powers conferred by clause (1) of Article 8 of the Bangladesh Shilpa Bank Order, 1972 (President's Order No. 129 of 1972), the Government is pleased to appoint Mr Lutfor Rahman, Businessman, 137, B. K. Road, Narayanganj, Dacca to be a Director of the Bangladesh Shilpa Bank with immediate effect.

No. S.R.O. 166-L/77/MF/Inv-III/BSB-2/77.—In exercise of the powers conferred by clause (1) of Article 8 of the Bangladesh Shilpa Bank Order, 1972 (President's Order No. 129 of 1972), the Government is pleased to appoint Mr A. K. M. Ziauddin, President, Khulna Chamber of Commerce and Industries, Khulna to be a Director of the Bangladesh Shilpa Bank with immediate effect.

By order of the President

M. A. S. RAHMAN

Deputy Secretary.

MINISTRY OF COMMUNICATIONS

(Ports, Shipping and IWT Division)

NOTIFICATION

Dacca, the 1st June 1977.

No. S. R. O. 167-L/77/PD/1E-9/76.—In exercise of the powers conferred by sub-section (1) of section 4 of the Chalna Port Authority Ordinance, 1976 (Ord. No. LIII of 1976), and in supersession of this Ministry's Notification No. S. R. O. 151-L/77/PD/1E-9/76, dated the 16th May 1977, the Government is pleased to appoint the 1st day of June 1977, on which date the Chalna Port Authority shall be established for carrying out the purposes of the said Ordinance.

By order of the President

M. B. ALAM

Joint Secretary.

ORDER

Dacca, the 1st June 1977.

No. S. R. O. 168-L/77/PD/1E-9/76.—In exercise of the powers conferred by clause (e) of sub-section (1) of section 53 of the Chalna Port Authority Ordinance, 1976 (Ord. No. LIII of 1976), the Government is, in consultation with the Chalna Port Authority, pleased to direct that every person in the service of the Republic serving in, or in connection with the affairs of, the Chalna Port shall, serve under the said Authority with effect from 1st day of June 1977, on the same terms and conditions as are enjoyed by them immediately before that date.

By order of the President

M. B. ALAM

Joint Secretary.

MINISTRY OF PETROLEUM AND MINERAL RESOURCES

NOTIFICATION

Dacca, the 1st June, 1977.

No. S. R. O. 169-L/77.—In exercise of the power conferred by section 29 of the Bangladesh Petroleum Corporation Ordinance, 1976 (LXXXVIII of 1976), the Government is pleased to make the following rules, namely :

THE BANGLADESH PETROLEUM CORPORATION RULES, 1976.

1. **Short title and commencement.**—(1) These rules may be called the Bangladesh Petroleum Corporation Rules, 1976.

(2) They shall come into force at once.

2. **Definitions.**—(1) In these rules, unless there is anything repugnant in the subject or context,—

(a) “associate” means a company in which the Corporation holds minority equity shares ;

(b) “company” means a company under the Companies Act, 1913 (VII of 1913) engaged in petroleum operation ;

(c) “Ordinance” means the Bangladesh Petroleum Corporation Ordinance, 1976 (LXXXVIII of 1976);

(d) “subsidiary” means a company in which the Corporation holds majority equity shares or on the Board of which the Corporation has power directly or indirectly to appoint the majority of the Directors of that company.

3. **Power-of-Attorney.**—The Board may, from time to time, either by power-of attorney or by resolution, appoint any person or persons to be the attorney or attorneys, nominee or nominees of the Corporation for such purposes and with such powers, authorities and discretions not exceeding those vested in it or exercisable by it under the Ordinance or these rules and for such period and subject to such conditions as it may think fit, and any such attorney or nominee or nominees may be authorised by it to delegate all or any of the powers, authorities and discretions to any officer of the Corporation for the time being vested in him or them.

4. **Seal**—(1) The Board shall cause a common seal to be made for the Corporation which shall be kept in the safe custody of the Secretary of the Corporation or of such other officer as the Board may decide.

(2) The seal of the Corporation shall be affixed to an instrument in the presence of the Chairman or two of the other Directors who shall sign any instrument to which the seal is affixed.

5. **Particulars of companies to be sponsored.**—Before sponsoring any company under section 13 of the Ordinance, the Corporation shall submit for approval of the Government the following :

- (a) capital structure;
- (b) representation of various interests on the Board of Directors;
- (c) method of its management ;
- (d) capital proposed to be invested by the Corporation as well as the capital to be invested by other parties, Bangladeshi or foreign;
- (e) utilisation of any credit obtained from any foreign Government or agency for the proposed scheme ;
- (f) managing agency agreement, if any, proposed to be executed between the Corporation and the company ;
- (g) managing agency agreement, if any, proposed to be executed between the company and the managing agents in case the Corporation is not the managing agent.

6. **Managing Agency.**—The Corporation may, with the previous approval of the Government, act as managing agents for the companies sponsored or to be sponsored by it, and may, with the prior concurrence of the Government, relinquish such managing agencies in favour of any person.

7. **Submission of schemes and reports to the Government.**—(1) The Corporation shall, in order to carry out all or any of the functions under clauses (e), (f), (g), (h), and (k) of section 6 of the Ordinance,—

- (a) submit, for the approval of the Government, proposals or schemes; and
- (b) proceed to give effect to any proposal or scheme as approved by the Government.

(2) All proposals or schemes under clause (a) of sub-rule (1) shall contain such information as may be necessary to indicate their soundness and propriety from the financial point of view, and shall be in such form as may be specified by the Government from time to time and the Corporation shall also submit for such proposals or schemes feasibility reports, progress reports, completion reports, and any other reports on their working in such form as may be specified by the Government.

8. **Funds for completed project or for a company managed by the Corporation.**—In all cases where funds are required for any completed project or for a company managed by the Corporation to meet its running expenditure, the fund shall be drawn by the Corporation from the profits earned by such project or such company ; and if the profits are not sufficient for the purpose, the Corporation may borrow money to meet the requirements from such sources including bank or banks as may be approved by the Board.

9. **Demands for Funds.**—The Corporation shall make periodical demands for funds to the Government for the proposals or schemes that may have been approved or may be under investigation and also to the extent necessitated by any shortfall cost overrun requiring adjustments through supplementary grants or allocations; and in making such periodical demands the Corporation shall give particulars of receipts, expenditures during the ensuing period.

10. **Appropriation of funds at the credit of the Corporation.**—Funds made available by the Government against the annual development programme may be deployed by the Corporation on an overall basis; and if any proposal or scheme within the programme, duly approved by the competent authority, temporarily runs short of funds and some essential expenditures are required to be incurred in the interest of timely completion of such scheme, unused funds allocated for other schemes may be used to meet the essential expenditure:

Provided that such lendings are adjusted before the end of the financial year;

Provided further that such lendings resulting in temporary appropriation of money from one proposal or scheme to another shall not require any formal approval of the Government.

11. **Repayment by the Corporation.**—(1) The Corporation may, with the approval of the Government, secure repayment of any sum or sums of money borrowed by creating any mortgage or charge in respect of any property of the Corporation, both present and future, or by executing any bond or bonds in respect of the sum borrowed.

(2) Subject to the approval of the Government, the Board may raise or secure the payment or repayment of sum or sums borrowed by issue of debenture or debenture-stocks of the Corporation charge upon all or any part of the properties of the Corporation, both present and future, and may further make the debenture or debenture-stock assignable free from any equities between the Corporation and the person to whom the sum may be issued.

(3) Subject to the approval of the Government, any debenture, debenture-stocks or other securities including bonds may be issued with any special privileges as to redemption, surrender, drawings and otherwise.

(4) The Board shall cause a register to be kept for all mortgages and charges specifically affecting the properties of the Corporation; and the register shall be open to inspection of the registered holder of any debentures or debenture-stocks who shall also have the right to receive and inspect the balance-sheet and profit and loss account of the Corporation and the report of the auditors and other reports made in that connection.

12. **Reserve Fund.**—(1) The Corporation may establish a Reserve Fund subject to such ceiling as the Government may determine.

(2) The Board, when submitting to the Government the annual budget statement, may propose and set aside at the end of each year such sums out of its profits as it thinks proper for the Reserve Fund.

(3) The Reserve Fund may be applicable—

- (a) to depreciation or diminution in value of any assets of the Corporation;
- (b) to any contingency or law costs and charges;
- (c) to any debt or liability of the Corporation;

- (d) to repair, replace, improve or maintain any tools, appliances, equipment, machinery, plant, building, works or any other property of the Corporation; or
- (e) to acquisition of any new property.

13. Annual budget statement.—(1) The Corporation shall, by 31st March of each year, submit for approval of the Government its annual budget statement for each financial year.

(2) The annual budget statement shall be prepared in two parts—

- (a) revenue budget, and
- (b) capital budget.

(3) The revenue budget shall include only revenue incomes, such as dividend, expected profits, fees and services.

(4) The capital budget shall include only capital contribution to authorized capital and loans given by the Government and financial institutions as well as loans raised by issue of bonds and debentures for development purposes.

(5) The annual budget statement shall incorporate—

- (a) all revenue receipts of the Corporation to be received in the form of dividends on account of shares held by it in the companies, profits expected on account of trading results, fees and service charges to be realised by it from enterprises, association, subsidiaries, subscription against authorised capital expected to be received from the Government and any other form of revenue expected during the financial year to which they relate;
- (b) all expenditures to be incurred by the Corporation for conducting its affairs and discharging its obligations under the Ordinance during that financial year;
- (c) any amount proposed to be paid to the Government out of expected profits of the Corporation; and
- (d) any amount proposed to be employed in executing any scheme to be undertaken by the Corporation or to be otherwise invested or to be kept aside for the reserve fund.

(6) The Government may, if it so requires, call for any clarification within two months from the date of submission of the annual budget statement and shall, in any case, communicate its approval with modifications, if any, before 30th June of the year.

(7) Should the Corporation for any unavoidable reason fail to submit the annual budget statement for approval of the Government by 31st March of the year, the Government may extend the period for submission to such time as it may deem necessary.

(8) If the approval of the Government referred to in sub-ule (6), is not conveyed to the Corporation by 30th June of the year, such approval shall be

deemed to have been given and thereafter the Corporation shall be free to incur expenditure in terms of the provisions of the budget.

14. **Budget and Programme of the subsidiaries.**—(1) In consultation with each subsidiary the Corporation shall determine the targets for the ensuing financial year; and pursuant to such agreed targets the subsidiaries shall submit for approval of the Corporation not later than the last day of February each year its annual budget and programme for the financial year.

(2) The budget shall, *inter alia*, comprise the following statements broken down on a quarterly basis—

- (a) significant financial and operating ratios;
- (b) an income and expenditure statements;
- (c) capital and development expenditure programme;
- (d) foreign exchange requirement;
- (e) such other information as may be relevant or as the Corporation may require.

(3) The Corporation shall accord approval to the budget and programme of the subsidiaries with such modifications as it may consider necessary by 25th June of the year.

15. **Allocation of Foreign Exchange.**—The Corporation shall prepare a consolidated programme pertaining to petroleum operation of itself and all its subsidiaries and associates together with the total foreign exchange requirement in two parts—

- (a) revenue budget, and
- (b) development budget

in foreign exchange and submit the same to the Government by 31st March of the year; and on the basis of such programme, the Government shall make necessary foreign exchange allocation in favour of the Corporation.

16. **Accounts.**—(1) The Corporation and the subsidiaries shall, separately maintain proper accounting records in such a manner as to give a true and fair picture of the state of their respective affairs.

(2) The subsidiaries shall maintain their accounts in such form and in such manner as the Corporation may specify or direct.

(3) The Corporation shall, by the last day of February each year, effective from the financial year 1979-80, prepare a consolidated balance-sheet and profit and loss account of itself and all its subsidiaries pertaining to the preceding financial year.

(4) The accounts, reports and balance sheets shall be signed by two of the Directors of the Corporation or of the subsidiary, as the case may be.

(5) Directors of the Corporation shall make a statement in the accounts of the Corporation as to the identity of its subsidiaries and associates, and places

of their incorporation, and the extent of the Corporation's shareholding and other interests in them.

17. **External audit.**—(1) The accounts of the subsidiaries may 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 previous approval of the Corporation by the Board of Directors of the respective subsidiary on such remuneration as it may think fit and such remuneration shall be paid by such respective subsidiary.

(2) The auditors appointed to audit the accounts of the subsidiaries under sub-rule (1), shall in their respective reports state—

- (a) that they have examined the annual balance-sheet of the subsidiary as of 30th June of the year concerned and the related profit and loss account for the year then ended;
- (b) that their examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as they considered necessary in the circumstances;
- (c) that in their opinion, the balance-sheet and profit and loss account present fairly the financial position of the subsidiary and the results of its operations for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year;
- (d) that the supplementary data included in the schedule to the accounts, if any, have been subjected to the same auditing procedures;
- (e) that in their opinion, the schedules, if any, have been prepared consistently in all material respects when considered in conjunction with the basic financial statements taken as a whole.
- (f) that they reviewed the accounting system and found it adequate to produce the financial and associated information required in reporting the activities of the subsidiary; and
- (g) that the records were satisfactorily maintained in conformity with the accounts classifications contained in such system.

18. **Internal audit.**—(1) In addition to the audits under section 20 of the Ordinance, the Board may cause the accounts of the Corporation or of subsidiaries to be audited on a continuous basis by internal auditors employed by the Corporation and composed of personnel having specialised knowledge in company accounts.

(2) The internal audit team shall carry out such schedule of inspections as may be decided by the Board and such inspections, when physically possible and relevant, shall include—

- (a) physical check and reconciliation of raw materials, work in progress, and finished goods;
- (b) physical check and reconciliation of stores items of significant value;
- (c) reconciliation of finished goods, sales and despatches;

- (d) up-to-dateness and accuracy of purchase, Sales, wages and salaries and general ledgers;
- (e) accuracy of goods received procedures;
- (f) accuracy of production records;
- (g) accuracy of yield, wastage records;
- (h) cash and bank accounts;
- (i) purchase and sales procedures;
- (j) internal control system noting particularly the delegated authority and propriety of financial limits.

(c) It shall be the duty of such auditors to report without delay to the Board any irregularity in the maintenance of accounts that may be discovered in the course of such audit; and such internal audit shall, however, be conducted in such a manner as not to hinder the operation or functioning of the Corporation or the subsidiaries.

19. Report, etc.—(1) Within six months after completion of each financial year, the Corporation shall submit to the Government a report, to be called the annual consolidated report, which shall consist of the following:

- (a) report on the conduct of the affairs of the Corporation during the preceding financial year;
- (b) audited statement of accounts and balance-sheet of the Corporation for the preceding financial year;
- (c) information on the conduct of the affairs of the Corporation and the subsidiaries for the preceding financial year; and
- (d) proposals regarding conduct of affairs of the Corporation and the subsidiaries for the ensuing financial year.

(2) Within four months after completion of each financial year, each subsidiary shall, after its Board of Directors has examined and approved it, submit to the Corporation a report, to be called the annual report, which shall consist of the following:

- (a) report on the conduct of the affairs of the company during the preceding financial year;
- (b) audited statement of accounts and balance-sheet of the company for the preceding financial year; and
- (c) proposals regarding conduct of affairs of the company for the ensuing financial year.

(3) Within two months after the expiry of each quarter of the financial year, excluding the last quarter, the Corporation shall submit to the Government a quarterly performance report for the Corporation showing the results of operations during the relevant quarter and the cumulative results to-date against its target, programme, and budget; and the report shall, in addition, incorporate a review of any significant features in any of the areas of operation or finances of

the Corporation and any recommendation for policy decision or approval of action to overcome adverse situation or to take advantage of favourable situations.

(4) Within six weeks after the expiry of each quarter of the financial year, excepting the last quarter, every subsidiary shall, after approval by its Board of Directors, submit to the Corporation quarterly performance report, in the manner and incorporating the information outlined in sub-rule (3).

(5) The subsidiaries shall furnish such other reports, returns, information and statement as the Corporation may from time to time require.

20. **Pricing policy.**—(1) The Corporation shall, with the previous approval of the Government, determine:

(a) transfer prices—

(i) for imported crude from the Corporation to the refinery;

(ii) for refined petroleum products from the refinery to the marketing companies;

(iii) for refinery surplus products from the refinery to the Corporation; and

(b) price structure—

for refined petroleum and petroleum products to be distributed by the marketing companies which shall be notified in the official Gazette.

(2) Such other directives as may be considered necessary relating to prices and taxation shall be issued to the companies by the Corporation from time to time.

21. **Sources of Finance.**—The sources of finance of the Corporation shall be—

(i) its share capital;

(ii) dividends and other payments received from the subsidiaries and associates;

(iii) returns from any other investment;

(iv) service charges received from the enterprises, subsidiaries and associates;

(v) profits from its own operations;

(vi) loans and grants from the Government;

(vii) borrowings; and

(viii) issue of bonds, debentures, etc.

22. **Meeting of Board.**—(1) Meeting of the Board shall be regulated as follows:

(a) the Chairman shall convene meetings of the Board for regulating the general administration, affairs and policy of the Corporation from time to time and such meetings shall be convened at least once in a month:

Provided that the Chairman may also convene meetings more often if, in his opinion, such meetings are required in the interest of the Corporation:

- (b) the meeting may ordinarily be held at the Head Office of the Corporation at Dacca;

Provided that a meeting may also be held at such other places in Bangladesh as may be considered necessary by the Chairman in the interest of the Corporation;

- (c) at a meeting of the Board of Directors, a Director shall not—

(i) put himself in a position in which his interest and his duty may be in conflict, and if he does so, his vote shall not be counted, nor shall be counted in the quorum present at the meeting; and

(ii) vote in respect of any contract or arrangement in which he himself, his wife, sons, daughters, parents, brothers, sisters, his wife's parents, brothers and sisters are materially interested;

- (d) the Corporation shall cause minutes of all proceedings of the meetings of the Board to be entered in books kept for that purpose at its Head Office.

(e) any such minutes, if purporting to be signed by the chairman of the meeting at which the proceedings were held, or by the chairman of the next succeeding meeting, shall be evidence of the proceedings;

(f) the minutes of a meeting may ordinarily be approved at a subsequent meeting, but the adoption of the minutes shall not make those taking part in such adoption responsible for the acts done in the earlier meeting;

(g) a resolution in writing signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Board duly called.

23. **Powers of the Chairman.**—The Chairman of the Corporation shall have the following powers:—

(a) he shall be responsible for the efficient administration, discipline and proper conduct of the affairs of the Corporation,

(b) he shall allocate work to other Directors and shall be competent to call for any record from any Director and be competent to permit other Directors to leave Head Quarters on official tour within the country and to grant them casual leave of absence, and

(c) he shall report to the Government any misconduct on the part of any Directors.

24. **Ex-officio Directors.**—(1) The *ex-officio* Directors shall participate only in the deliberations of the Board and shall not be required to carry any executive responsibility in relation to the functions of the Corporation.

(2) For attending such meetings the *ex-officio* Directors shall receive such remuneration as the Government may determine.

25. **Management of the subsidiaries and associates.**—(1) The Corporation shall appoint for such terms as may be decided by it, necessary number of Directors proportionate to the shares held by it in the subsidiaries and associates and shall in all cases nominate one of its nominated Directors as the Chairman of the Board of Directors of the Company, and such Directors shall represent the interests of the Corporation on such Board.

(2) The Corporation shall appoint the Chief Executives of the subsidiaries and shall be competent to remove or suspend them and, if circumstances so require, to transfer them from one company to another, the Chief Executives shall report to the Chairman of their respective Board of Directors, and the Corporation may appoint any such Chief Executive as one of its nominee Directors on the Board of the respective Company.

(3) In the subsidiary in which the Chief Executive is a General Manager, appointment and promotion to the post of the Deputy General Managers, including the creation of such posts, shall be made by the Board of Directors of the subsidiary only with the previous approval, in each case, of the Corporation, and the Corporation shall lay down procedures for creation of the posts of Deputy General Managers and Managers and for selection of personnel for appointment or promotion to such posts.

(4) Training of personnel abroad and manpower planning relating to petroleum operation shall be the responsibility of the Corporation, and appointment and selection of expatriates for any position in the subsidiaries shall also be the responsibility of the Corporation.

(5) The Corporation may review and nationalise the pay structure, conditions of service including fringe and other benefits of the officers and employees of the subsidiaries.

26. **Bar to appoint certain persons.**—No person who has been dismissed, or removed, or compulsorily retired, from service by the Government shall be appointed by the Corporation without prior approval of the Government.

27. **Publicity advertisement, etc.**—The Corporation shall distribute all its advertisement notices directly to the press, and shall also directly undertake such publicity of its activities as may be considered necessary and appropriate by the Board.

By order of the President

K. F. RAHMAN

Secretary.

CABINET SECRETARIAT

Cabinet Division

NOTIFICATION

Dacca, the 1st June 1977.

No. S. R. O. 170-L/77.—In pursuance of the provision of sub-section (1) of section 4 of the Off-shore Islands Development Board Ordinance, 1977 (Ordinance No. IV of 1977), read with sub-section (2) of the said section, the Government is pleased to direct that the Off-shore Islands Development Board shall consist of the following members, namely:—

- (1) The Commissioner, Chittagong Division, who shall be its Chairman, *ex-officio*,
- (2) The Deputy Commissioner, Chittagong, *ex-officio*;
- (3) The Deputy Commissioner, Noakhali, *ex-officio*;
- (4) The Deputy Commissioner, Barisal, *ex-officio*;
- (5) Mr Abu Zafar Mohammad Hossain Khan (*ex-EPCS*), who shall act as its Secretary;
- (6) Mr M. Anwarul Islam (*ex-EPCS*);
- (7) Mr Neamat Ali (*ex-EPCS*).

By order of the President

M. S. ALI

Deputy Secretary.

IN THE COURT OF THE SUMMARY MARTIAL LAW COURT, DACCA

ML. G.R. No. 142/76.

Whereas it has been made to appear to the Court that accused Constable No., 774, Md. Zaher (S. A. F. Dacca District), son of Sayed Abu Taher of Jamujanbon, P.S. Patia, Dist. Chittagong, is required for the purpose of trial in the Summary Martial Law Court, Dacca under M.L.R. 11 in connection with Sutrapur P.S. Case No. 26(7)/76;

And whereas the Court has reason to believe that the said accused person is absconding and concealing himself to avoid appearance or arrest for the said purpose;

The aforesaid accused person is directed to appear in the Summary Martial Law Court, Dacca Collectorate Court Building, Dacca, on 8th June 1977, failing which he will be tried *in absentia* and his property part/whole may be confiscated to the State.

SQUADRON LEADER

A. S. M. MAHBUBUR RAHMAN

Member,

Summary Martial Law Court,

Dacca.