

THE BANGLADESH OIL, GAS AND MINERAL CORPORATION ORDINANCE, 1985
(ORDINANCE NO. XXI OF 1985).

[11th April, 1985]

An Ordinance to provide for the establishment of the Bangladesh Oil, Gas and Mineral Corporation.

WHEREAS it is expedient to provide for the establishment of the Bangladesh Oil, Gas and Mineral Corporation and for matters incidental thereto;

NOW, THEREFORE, in pursuance of the Proclamation of the 24th March, 1982, 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 Oil, Gas and Mineral Corporation Ordinance, 1985.

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) "Corporation" means the Bangladesh Oil, Gas and Mineral Corporation established under section 3;

(c) "Chairman" means the Chairman of the Corporation;

(d) "Director" means a Director of the Corporation;

(e) "mineral" means all minerals, whether in a solid, liquid or gaseous state and rock resources, metal or non-metal, including coal, lime-stone, clay, sand, metalliferous ore and non-metallic mineral and any other naturally occurring substance which may be used either in its original form or after processing for economic purposes;

(f) "prescribed" means prescribed by rules or regulations made under this Ordinance.

Establishment of the Corporation

3. (1) There shall be established a Corporation to be called the Bangladesh Oil, Gas and Mineral Corporation for carrying out the purposes of this Ordinance.

1[(1A) The Corporation may also be called PETROBANGLA.]

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

Authorised capital

4. The authorised capital of the Corporation shall be taka two hundred crore to be subscribed by the Government, in the manner determined by the Government from time to time, according to the requirements of the Corporation.

General direction

5. (1) Subject to 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.

(2) The Board in discharging its functions shall act on commercial considerations having due regard to public interest generally and shall be guided on questions of policy by such instructions as may be given to it by the Government from time to time, and, if any question arises as to whether any question is a question of policy or not, the decision of the Government shall be final.

Board

2[6. (1) The Board shall consist of the following Directors, namely:-

- (a) a Chairman to be appointed by the Government;
- (b) an officer not below the rank of a Joint Secretary of the Ministry or Division dealing with energy and mineral resources to be nominated by that Ministry or Division;
- (c) an officer not below the rank of a Joint Secretary of the Ministry or Division dealing with finance to be nominated by that Ministry or Division;
- (d) an officer not below the rank of a Joint Secretary of the Ministry or Division dealing with planning to be nominated by that Ministry or Division;
- (e) not more than five other Directors to be appointed by the Government.

(2) The Chairman shall be the chief executive officer of the Corporation.

(3) The Chairman and the appointed Directors shall be whole-time officers of the Corporation and shall serve on such terms and conditions as the Government may determine.

(4) The Chairman and other Directors shall exercise such powers and perform such functions as may be prescribed or as may be assigned to them by the Government from time to time.]

Meeting of the Board

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

Provided that, until so prescribed, such meetings shall be held at such times and places as may be determined by the Chairman.

(2) To constitute a quorum at a meeting of the Board, not less than three Directors shall be present.

(3) All meetings of the Board shall be presided over by the Chairman, and in his absence, by a Director elected for the purpose.

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

(5) 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.

Committees

8. The Board may appoint such committee or committees as it thinks fit to assist it in the efficient discharge of its functions.

Functions of the Corporation

9. (1) The functions of the Corporation shall be-

(a) to undertake research in the field of oil, gas and minerals;

(b) to prepare and implement programmes for the exploration and development of oil, gas and mineral resources;

(c) to produce and sell oil, gas and mineral resources; and

(d) to perform such other functions as the Government may, from time to time, assign to the Corporation.

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

(a) to undertake research for alternative use of natural gas;

(b) to carry out geological, geophysical and other surveys for the exploration and development of oil, gas and mineral resources;

(c) to carry out drilling and other prospecting operations to prove and estimate the reserves of oil, gas and mineral resources and collect all data required for adopting the most suitable extraction and mining method;

(d) to set up mining industries and to continue production and sale of the mined commodities;

(e) to plan, promote and develop cement industries in the country;

(f) to take up, execute and operate any project on mining and mineral development;

(g) to contribute towards the cost of any studies, experiments or technical research connected with the functions of the Corporation and undertaken or done in the interest of the Corporation by any other person, body or agency;

(h) to undertake, assist or encourage the collection, maintenance and publication of statistics, bulletins and monograph.

Formation of Companies

10. The Corporation may, with the previous approval in writing of the Government, sponsor the formation of subsidiary companies for exploration and exploitation of oil, gas and mineral resources

and may hold an interest therein and may also, subject to the general policy of the Government regarding foreign investment, permit any foreigner to hold an interest in such companies.

Power to hold shares or interest in any company

3[10A. The Corporation may hold shares or interest in any company formed for the purpose of exploration and exploitation of oil, gas and mineral resources.]

Head Office

11. (1) The Head Office of the Corporation shall be at Dhaka.

(2) The Corporation may establish such regional office or other offices, branches and agencies as the Board may think fit.

Appointment of officers, etc

12. The Corporation may appoint such officers and other employees as it considers necessary for the efficient performance of its functions on such terms and conditions as may be prescribed.

Delegation of powers

13. The Board may, by general or 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 the Chairman or any other Director or by an officer of the Corporation as may be so specified:

Provided that no power to make regulations under section 23 shall be delegated under this section.

Annual Budget Statement

14. The Corporation shall, by such date each year as may be prescribed, submit to the Government for approval a statement to be called the Annual Budget Statement in the prescribed form for each financial year showing the estimated receipts and expenditure during that year.

Bank Account

15. The Corporation may open and operate any account with any scheduled bank.

Investment of funds

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

Borrowings

17. The Corporation may, with the prior approval of the Government, borrow such sums, with or without security, as may be required by it to discharge its functions under this Ordinance.

Audit and Accounts

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

(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 by the Board.

(3) Every auditor appointed under sub-section (2) shall be given a copy of the annual balance sheet and other accounts of the Corporation who 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 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 affairs of the Corporation and, if they have called for any explanation or information from the Board, whether it has been given and whether it is satisfactory.

(5) The Government may, at any time, issue directions to the auditors requiring them to report to it upon the adequacy of measures taken by the Corporation for the protection of the interest of the Government or upon the sufficiency of their procedure in auditing the affairs of the Corporation, and may, at any time, enlarge or extend the scope of the audit or direct that different procedure in audit shall be adopted or that any other examination shall be made by the auditors or any other person or persons if, in its opinion, the interest of the Government so requires.

Submission of annual report, etc

19. (1) The Corporation shall, as soon as possible after the end of every financial year, furnish to the Government a statement of account audited by the auditors under section 18.

(2) The Government may require the Corporation to furnish any report, return, statement, estimate, statistics or other information regarding any matter under the control of the Corporation and the Corporation shall comply with every such requisition.

Survey of lands, etc

20. (1) The Chairman or any other person authorised by him in writing may enter upon and survey any land, undertake investigations, erect pillars for the determination of areas and intended lines of works, make borings and excavation for the discovery of minerals, and do all other acts which may be necessary in order to carry out all or any of the purposes of this Ordinance:

Provided that when the affected land does not vest in the Corporation, powers conferred by this sub-section shall be exercised in such manner as to cause the least interference with, and the least damage to, the rights of the owner thereof.

(2) When any person enters into or upon any land in pursuance of sub-section (1), he shall, at the time of entering, pay or tender payment for all necessary damage to be done as aforesaid and in case of dispute as to the sufficiency of the amount so paid or tendered, he shall at once refer the dispute to the Corporation whose decision shall be final.

(3) It shall be lawful for any person authorised under sub-section (1) to make an entry upon any land, to open or cause to be opened a door, gate or other barrier,-

(a) if he considers the opening thereof necessary for the purpose of such entry;

(b) if the occupier or owner, as the case may be, is absent, or being present refuses to open door, gate or barrier:

Provided that the compensation shall be paid for the damage caused in such manner as the Corporation may prescribe, and in case of dispute as to the sufficiency of the amount, the matter shall be referred to the Corporation whose decision shall be final.

Indemnity

21. No suit, prosecution or other legal proceedings shall lie against the Board, the Chairman or any other Director or any officer or employee of the Corporation for anything which is in good faith done or intended to be done under this Ordinance.

Power to make rules

22. The Government may, by notification in the official Gazette, make rules for the purpose of giving effect to the provisions of this Ordinance.

Power to make regulations

23. (1) The Board may make regulations, not inconsistent with the provisions of this Ordinance and the 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) All regulations made under this section shall be published in the official Gazette and shall come into force on such publication.

Repeal, amendment, dissolution, savings, etc

24. (1) On the commencement of this Ordinance,-

(a) the Bangladesh Mineral Exploration and Development Corporation Order, 1972 (P.O. No. 120 of 1972), shall stand repealed;

(b) in the Bangladesh Industrial Enterprises (Nationalisation) Order, 1972 (P.O. No. 27 of 1972), in Article 10, in clause (1), in sub-clause (d), the words, brackets, figure and comma “and (iii) Bangladesh Oil and Gas Corporation which may also be called PETROBANGLA”, shall stand omitted; and

(c) the Bangladesh Mineral Exploration and Development Corporation established under the Bangladesh Mineral Exploration and Development Corporation Order, 1972 (P.O. No. 120 of 1972), and the Bangladesh Oil and Gas Corporation (PETROBANGLA) established under the Bangladesh Industrial Enterprises (Nationalisation) Order, 1972 (P.O. No. 27 of 1972), hereinafter referred to as the said Corporation, shall stand dissolved.

(2) Notwithstanding anything contained in any other law for the time being in force or in any contract, agreement or other instrument,-

(a) all business, project including the projects specified in the Schedule to this Ordinance, and undertakings of the said Corporations including all assets, rights, powers, authorities and privileges and all property, movable and immovable, cash and bank balances, reserve funds and investments of

the said Corporation and all other rights and interest in, and arising out of, such property and all books of accounts, registers, records and other documents of whatever nature relating to the said Corporation, shall stand transferred to, and vest in, the Corporation;

(b) all debts and liabilities incurred, obligations undertaken, contracts entered into, agreements made by or with the said Corporation shall be deemed to have been incurred, undertaken, entered into or may by or with the Corporation;

(c) all suits and other legal proceedings instituted by or against the said Corporation shall be deemed to be suits or other legal proceedings by or against the Corporation;

(d) every officer or other employee of the said Corporation shall become an officer or other employee of the Corporation and shall hold office or service in the Corporation on the same terms and conditions as were applicable to him immediately before the dissolution of the said Corporation.

(3) On the repeal of the Bangladesh Mineral Exploration and Development Corporation Order, 1972 (P.O. No. 120 of 1972), and amendment in the Bangladesh Industrial Enterprises (Nationalisation) Order, 1972 (P.O. No. 27 of 1972), hereinafter

referred to as the said Orders, anything done or any action taken, including any order made under the said Orders shall be deemed to have been done, taken or made under this Ordinance.

(4) The Government may, for the purpose of removing any difficulty in relation to the transfer and other matters specified in sub-section (2), make such order as it considers expedient and any such order shall be deemed to be, and given effect to as, part of the provisions of this Ordinance.

1 Sub-section (1A) was inserted by section 2 of the Bangladesh Oil, Gas and Mineral Corporation (Amendment) Act, 1989 (Act No. XI of 1989).

2 Section 6 was substituted by section 3 of the Bangladesh Oil, Gas and Mineral Corporation (Amendment) Act, 1989 (Act No. XI of 1989).

3 Section 10A was inserted by section 4 of the Bangladesh Oil, Gas and Mineral Corporation (Amendment) Act, 1989 (Act No. XI of 1989).