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Act No. 21 of 1995

An Act made to establish the Ansar-VDP Development Bank

Whereas it is expedient to establish a bank by the name of Ansar-VDP Development Bank;

Now, therefore, it is herewith enacted as follows:-

1. Short title and application.-

- (1) This Act may be called the Ansar-VDP Development Bank Act, 1995.
- (2) This Act shall be applicable in such areas as the Government may, by notification in the official Gazette, determine.

2. Definitions.-

Unless there is anything repugnant in the subject or context, in this Act-

- (a) "Bank" means the Ansar-VDP Development Bank;
- (b) "Board" means the Managing Board of the Bank;
- (c) "Bangladesh Bank" means the Bangladesh Bank established under the Bangladesh Bank Order, 1972 (PO No. 127 of 1972);
- (d) "Chairman" means the Chairman of the Board;
- (e) "Director" means Director of the Bank;
- (f) "Managing Director" means the Managing Director appointed under section 11;
- (g) "rule" means any rule made under this Act;
- (h) "regulation" means any regulation made under this Act;
- (i) "range" means any range declared by the Ansar Office to be an Ansar and VDP range;
- (j) "Banking Companies Act" means the Banking Companies Act, 1991 (Act No. 14 of 1991);
- (k) "Ansar and VDP Member" means any member and woman member included in the list kept by the Ansar Office.

3. Act to override other laws.-

Notwithstanding anything contained in any other Act for the time being in force, this Act and the rules and regulations made thereunder shall have effect.

4. Establishment of the Ansar-VDP Development Bank etc.-

- (1) There shall, as soon as possible after this Act has come into force, be established a bank by the name of Ansar-VDP Development Bank.

(2) The Bank shall be a body corporate, having perpetual succession and a common seal and shall, subject to the provisions of this Act and the rules, have power to acquire, hold and dispose of property, both movable and immovable, and shall by the said name sue and be sued.

(3) Subject to sub-section (4), the provisions of the Banking Companies Act and any other Act for the time being in force relating to banking companies shall not apply to the Bank.

(4) Where the Government, by notification in the official Gazette, directs that any provision of the Banking Companies Act or any other Act for the time being in force relating to banking companies shall be applicable to the Bank, such provisions shall have effect with regard to the Bank.

5. Head office of the Bank, etc.-

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

(2) The Bank may, with the approval of the Bangladesh Bank, open its regional and other offices and branches at the places specified by the Board:

Provided that 90 per cent of the branches of the Bank shall be opened in rural areas.

6. Authorised capital.-

(1) The authorised capital of the Bank shall be taka 100 (one hundred) crore.

(2) The authorised capital shall be divided into one crore ordinary shares of taka 100 (one hundred) each.

(3) The Bank may increase its authorised capital with the prior approval of the Government.

7. Paid-up capital.-

(1) The initial paid-up capital of the Bank shall be taka 10 (ten) crore, 25 per cent of which shall be subscribed by the Government or by any organisation or institution or body corporate managed or controlled by the Government and 75 per cent by Ansar and VDP members, Ansar-VDP officers and employees and officers and employees of the Bank.

(2) The capital specified under sub-section (1) shall be paid up through the purchase of shares of the Bank.

(3) The buying, selling and transferring of shares shall be limited to the Ansar and VDP members, Ansar and VDP officers and employees and officers and employees of the Bank.

(4) The Government may increase the amount of paid-up capital of the Bank from time to time.

8. Direction and superintendence.-

(1) Subject to the provision of sub-section (2), the direction and superintendence of the Bank shall be entrusted to a Managing Board to be established under this Act and the Managing Board may exercise all such powers and do all such acts and things as may be exercised and done by the Bank.

(2) The Bank shall be guided on questions of policy by the instructions of the Government and if there arises a question as to whether any matter is a matter of policy or not, the decision of the Government shall be final.

(3) Until the first Board is constituted under section 9, the Managing Director shall exercise all powers and do all acts and things as may be exercised or done by the Board.

9. Board. -

(1) The Managing Board of the Bank shall consist of the following Directors, namely: -

(a) the Chairman;

(b) three Directors to be appointed by the Government:

Provided that, in the case of appointment of public officers, the persons concerned shall hold the ranks of no less than Joint Secretaries;

(b) two Directors to be elected from amongst the shareholders of the Ansar and VDP members of every range, one being a man and one a woman;

(c) the Managing Director;

(2) The elected Directors shall be elected from amongst and by the Ansar and DVP members in such manner as may be prescribed.

(3) An elected Director shall hold his office for a period of three years beginning from the date on which he assumed charge of his office:

Provided that, notwithstanding the expiry of the period, he shall remain in office until his successor assumes his charge.

(4) Any Director appointed under clause (b) of sub-section (1) shall hold office for such period as the authority which appointed him may determine.

(5) A casual vacancy in the office of an elected Director shall be filled by a person elected in the manner mentioned in sub-section (2) and the person so elected shall hold office for the unexpired period of his predecessor.

10. Chairman. -

(1) The Chairman shall be appointed by the Government.

(2) If a vacancy occurs in the office of the Chairman or if the Chairman is unable to discharge the functions of his office on account of absence, illness or any other cause, a Director nominated by the Government shall discharge the functions of the Chairman until a new Chairman has been appointed to the vacant office or the Chairman is able again to discharge his functions.

11. Managing Director. -

(1) There shall be one Managing Director to the Bank.

(2) The Managing Director shall be appointed by the Government and the terms

and conditions of his service shall be fixed by the Government.

(3) The Managing Director shall be the Chief Executive Officer of the Bank.

(4) If there occurs a vacancy in the office of the Managing Director if the Managing Director is unable to discharge his functions on account of absence, illness or any other cause, an officer of the bank to be nominated by the Government shall discharge the functions and fulfil the duties of the Managing Director until a new Managing Director has been appointed to the vacant office or the Managing Director is able again to discharge his functions.

12. Functions of Directors. -

The Chairman, Managing Director and other Directors shall discharge the functions and perform the duties of the Bank prescribed by the Board or by regulations.

13. Resignation. -

The Chairman, Managing Director or any Director appointed by the Government may resign his office by a signed notice addressed to the Government and any elected Director may resign his office by a signed notice to the Chairman.

14. Meeting. -

(1) All the meetings of the Board shall be convened by its Secretary on direction of its Chairman and the dates, times and places of the meetings shall be determined by the Chairman.

(2) Subject to the provisions of this section, the proceeding of the meetings of the Board shall be determined by regulations.

(3) To form a quorum for a meeting of the Board at least one third of its total membership shall be present, but no quorum shall be required in the case of an adjourned meeting.

(4) All the meetings of the Board shall be presided over by the Chairman and, in his absence, by any other Director, excepting the Managing Director, chosen by the Directors from amongst the Directors present at the meeting.

(5) No act or proceeding of the Board shall be invalid merely on the ground of the existence of any vacancy in the office of a Director or any defect in the constitution of the Board.

(6) If there is to be discussed at a meeting of the Board any matter in which any Director is directly or indirectly personally interested, he shall not take part at the discussion of, nor vote on, such matter at the meeting of the Board.

15. Committee. -

The Board may, if necessary, appoint one or more committees to assist it in its work and it may determine the membership of such committees and their functions and proceedings.

16. Functions of the Bank. -

The Bank shall provide credit with or without security, in cash or in any other way, to Ansar and DVP Members for all kinds of economic activities including housing and may, subject to the conditions, if any, imposed by the Bangladesh Bank, carry on all or any of these several kinds of business specified hereinafter, namely:—

- (a) the accepting of deposits;
- (b) the borrowing of money for the purpose of its business against the security of its assets or otherwise;
- (c) for the purpose of securing loans and advances made by the Bank, accepting pledge, mortgage, hypothecation or assignment of movable and immovable property;
- (d) the purchasing of shares of any body corporate;
- (e) the accepting of saving certificates, title deeds or other valuable articles for keeping in safe custody and the collection and transmitting of the proceeds of such certificates, deeds or articles;
- (f) the constitution, management and control of Mutual Funds or Unit Trusts of any kind and the holding and allotment of shares of such funds or trusts;
- (g) the rendering of advice on the investment of borrowed money to the borrowers of the Bank;
- (h) the investment of the funds of the Bank in any sector the Government may approve;
- (i) the doing of all other acts the government directs, by notification in the official Gazette, to be acts which may be done by the Bank.

17. Bonds and debentures.—

- (1) The Bank may, with the prior approval of the Government, issue and sell bonds and debentures carrying interest at such rates as may be approved by the Government.
- (2) The bonds and debentures issued and sold under sub-section (1) shall be guaranteed by the Government.

18. Accounts.—

Subject to such directions as the Bangladesh Bank may pass from time to time, the Bank shall maintain proper account and prepare annual statements of accounts including the profit and loss account and balance sheet.

19. Audit.—

- (1) The accounts of the Bank shall be audited every year by two chartered accountants within the meaning of the Chartered Accountants Order, 1973 (PO No. 2 of 1973).

(2) Every auditor appointed under sub-section (1) shall be given a copy of the annual balance sheet and other accounts of the Bank and may examine all the records, documents and other properties of the Bank and may, for this purpose, inquire any Director, officer and employee of the Bank.

(3) The auditors shall submit to the Government a report of the audit made under this section and shall state in such report 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 affairs of the Bank and, in case they have called for any explanation or information from the Bank, it has been satisfactory.

(4) The Government may, at any time, issue directions to the auditors requiring them to report to it upon the adequacy of the measures taken to protect the interests of the Government and of the creditors of the Bank or upon the sufficiency of the procedure in auditing the affairs of the Bank and may, at any time, direct the auditors to extend the scope of the audit or to adopt different procedures in audit.

20. Reports. -

(1) The Government or the Bangladesh Bank may, if necessary, call for reports or statements on any subject from the Bank and the Bank shall be bound to furnish the reports or statements in accordance with the demands of the Government or, as the case may be, the Bangladesh Bank.

(2) The Bank shall, after the end of every financial year, furnish to the Government a copy of the audit report under section 19 and therein the Bank shall, on the basis of the report, give its opinion on the notes of the auditor, if any.

21. Reserve fund. -

The Bank shall establish a reserve fund to which shall be credited such amount out of its annual profit as the Board may determine.

22. Distribution of profits. -

After deducting the amount credited to the reserve fund under section 21 and making provisions for bad or doubtful debts, depreciation of assets and such other deficiencies usually indicated by the Bank, the profit of the Bank shall be distributed in such manner as the Board may determine.

23. Appointment of officers and other employees. -

(1) The Bank may appoint such officers and employees as it considers necessary for the efficient performance of its functions.

(2) The appointment and the conditions of service of the officers and employees of the Bank shall be determined by regulations.

24. Recovery of Bank dues. -

(1) All sums due to the Bank shall be recoverable as land revenue:

Provided that no sum shall be so recovered unless fifteen days' notice has first been given to the debtor or any other person liable to pay the sum: Provided further that the bank shall inform the debtor or any other person liable to pay the debt that he may pay the dues in such instalments as may be fixed in the notice and that he shall have opportunity to pay the dues in instalments so long as he does not default on any instalment.

(2) In the case of the recovery of the dues of the Bank the provisions of sections 7, 9, 10 shall not be applicable and the certificate issued under section 6 of the said Act shall be conclusive proof that the amount specified therein is due to the Bank.

(3) An officer of the Bank may exercise all powers exercisable by a Certificate Officer under the Public Demands Recovery Act, 1913 (Ben. Act III of 1913), within his jurisdiction for the purpose of recovery of the dues of the Bank.

25. Delegation of powers. -

The Board may for the purpose of ensuring efficient functioning of the Bank and facilitating transaction of its daily business, delegate to the Chairman, Managing Director or any other Director or any other officer of the Bank any of its powers or functions subject to such conditions as it may think to impose.

26. Penalty. -

(1) Whoever wilfully makes a false statement in order to receive or be granted a loan or any other facility under this Act or gives anybody opportunity to make or maintain a false statement in any document deposited with the Bank by way of security shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to two thousand taka, or with both.

(2) Whoever, without the consent in writing of the Bank, uses its name in any advertisement or prospectus shall be punishable with imprisonment for a term which may extend to six months, or with a fine which may extend to one thousand taka, or with both.

27. Cognizance of offences. -

No court shall take cognizance of any offence punishable under this Act except upon a complaint in writing by an officer authorised by the Board.

28. Indemnity. -

No criminal or civil case shall be filed nor any other legal proceeding lie against any Director, officer or employee of the Bank for any damage caused or likely to be caused to any person as a result of any action taken in good faith by such Director, officer or employee.

29. Loyalty and confidentiality. -

(1) Every Director, officer and employee of the Bank shall, before assuming his charges, declare that he remains loyal towards the Bank and that he maintains

loyalty and confidentiality towards the Bank.

(2) Every Director, officer or employee who breaks the promise of loyalty and confidentiality mentioned above shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand taka, or with both.

30. Liquidation. -

No provision of law relating to the winding up of companies, including banking companies, shall apply to the Bank and the Bank shall not be wound up save by order and decision of the Government.

31. Power to make rules. -

The Government may, by notification in the official Gazette, make rules for carrying out the purposes of this Act.

32. Power to make regulations. -

The Board may, with previous approval of the Government and by notification in the official Gazette, make regulations, not inconsistent with this Act and the rules, for carrying out the purposes of this Act.



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