

The Public Corporations (Management Co-ordination) Ordinance, 1986

(Ordinance NO. XLVIII OF 1986)

[5th July, 1986]

An Ordinance to provide for the co-ordination of management of the affairs and business of certain public corporations.

WHEREAS it is expedient to provide for the co-ordination of management of the affairs and business of certain public corporations and for matters connected therewith;

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 Public Corporations (Management Co-ordination) Ordinance, 1986.
- Definitions** 2. In this Ordinance, unless there is anything repugnant in the subject or context,-
- (a) "Council" means the Council for Public Corporations established under section 4;
- (b) "enterprise" means an industrial or commercial enterprise, a company or a firm vested in, or owned by, or the majority shares in which belong to, the Government and which is placed under a public corporation by or under any law for the time being in force or an industrial or commercial enterprise, a company or a firm owned, managed or maintained by a public corporation;

(c) “prescribed” means prescribed by regulations made under this Ordinance;

¹[* * *]

(d) “public corporation” means an authority, body, organisation or company specified in the Schedule to this Ordinance ²;

(e) “worker” means any person, skilled or unskilled, who works for hire or rewards, but does not include a person who is employed in any managerial, administrative, supervisory or solely clerical capacity.]

Ordinance to over-ride other laws

3. The provisions of this Ordinance and the regulations made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.

The Council

4. (1) There shall be a Council to be called the Council for Public Corporation for carrying out the purposes by this Ordinance.

(2) The Council shall consist of the following members, namely:-

(a) the Minister-in-Charge of the Ministry or Division dealing with finance, ex-officio;

(b) the Minister-in-Charge of the Ministry or Division dealing with planning, ex-officio;

(c) the Minister-in-Charge of the Ministry or Division dealing with industries, ex-officio;

(d) the Minister-in-Charge of the Ministry or Division dealing with energy and mineral resources, ex-officio; and

(e) the Minister-in-Charge of the Ministry or Division dealing with commerce, ex-officio.

(3) The Minister-in-Charge of the Ministry or Division which has administrative control over any public corporation shall, in relation to any matter under consideration of the Council in respect of such corporation, also be deemed to be a member of the Council.

(4) The President shall nominate a member of the Council to be its Chairman.

Functions of the Council

5. The Council shall-

- (a) formulate general policy guidelines for public corporations and issue instructions and directives for the co-ordination and better management of the affairs and business of such corporations following such policy guidelines;
- (b) formulate general guidelines for preparation of management objectives of public corporations;
- (c) formulate general guidelines for preparation of budgets by public corporations;
- (d) co-ordinate management objectives of public corporations;
- (e) approve production target and profit and performance criteria for any public corporations;
- (f) approve declaration of dividend or contribution of profit to Government by any public corporations;
- (g) evaluate periodically and monitor performance of public corporations; and
- (h) do such other acts and things as it may consider necessary for ensuring co-ordinations and better management of public corporations.

Appointment of Committees

6. (1) The Council may appoint a Committee of Experts:-

- (a) to provide it with research services in the field of management of public corporations and their enterprises;
- (b) to advise it on professional or technical matters concerning public corporations and their enterprises; and
- (c) to assist it in the matter of evaluation of performance of public corporations and their enterprises.

(2) The Council may appoint such other Committee or Committees as it deems fit to assist it in the performance of its functions under this Ordinance.

Management objectives

7. (1) The Council shall formulate, at least six months prior to the commencement of every financial year, general guidelines for preparation of management objectives by public corporations for that year.

(2) A public corporation shall prepare management objectives for itself and its enterprises in the manner laid down in the guidelines and shall submit the same to the Ministry or Division which has administrative control over it within such time as may be specified by the Council.

(3) The Ministry or Division to which the management objectives have been submitted shall examine the objectives and make such modifications therein as it deems fit and forward the same to the Council for approval within such time as may be specified by the Council.

(4) The Council shall, after co-ordinating the management objectives of the different public corporations, give its approval to the management objectives submitted to it, subject to such modifications as it deems fit to make, and inform the Ministry or Division and the public corporation of such approval at least one month before the commencement of the financial year concerned.

Production target and profit and performance criteria

8. (1) Every public corporation shall, for every financial year, prepare a statement indicating the production target and profit and performance criteria in respect of itself and its enterprises and submit it to the Ministry or Division which has administrative control over it at least three months prior to the commencement of such financial year and the Ministry or Division to which the statement has been submitted shall, in its turn, forward it to the Council, together with its comments thereon, for approval.

(2) The Council shall, after examining the statement forwarded to it under sub-section (1), give its approval to the production target and profit and performance criteria, subject to

such modifications as it deems fit to make, and inform the Ministry or Division and the public corporation of such approval and send a copy thereof to each of them.

Performance evaluation

9. (1) Every public corporation shall prepare an annual performance report in respect of itself and its enterprises and submit it to the Ministry or Division which has administrative control over it within such time as may be specified by the Council.

(2) The Ministry or Division to which the report has been submitted shall forward it to the Ministry or Division dealing with finance, together with its comments thereon, within one month of its receipt, and that Ministry or Division, in its turn, shall forward the report to the Council, together with its comments thereon, within similar time.

(3) An annual performance report to be submitted under sub-section (1) shall be accompanied by an audited statement of the accounts of the public corporation and its enterprises.

(4) The Council shall determine the method for its evaluation of performance of public corporations and their enterprises and shall use the annual performance reports submitted under sub-section (1) as the basic document for such evaluation.

(5) The Council shall complete the evaluation of performance of a public corporation and its enterprises within three months from the date of receipt by it of the annual performance report of the corporation under sub-section (1) and shall submit a report, containing the results of such evaluation, to the President and send a copy thereof, together with its recommendations, if any, to the Ministry or Division which has administrative control over the corporation.

(6) The Ministry or Division receiving the copy of a report under sub-section (5) shall take, as expeditiously as possible, all measures necessary for implementation of the recommendations, if any, of the Council.

**Pricing
policy of
public
corporation**

10. The Ministry or Division which has the administrative control over a public corporation shall determine the policy relating to the price of goods and services produced and rendered by such corporation and its enterprises and, the corporation shall fix the price of such goods and services according to such policy.

**Re-
imbursement
of financial
loss**

11. The Government shall reimburse to a public corporation the financial loss, if any, incurred by it or by any of its enterprises consequent upon the following by it or by such enterprises any specific instructions given by the Government on matters relating to the business or administration of such corporation or enterprises.

**Additional
functions of
public
corporations**

12. Notwithstanding anything contained in any law relating to a public corporation, such public corporation shall, in addition to the functions specified in such law,

(a) prepare management objectives and budget and financial plan based on guidelines given by the Council,

(b) make arrangement for the use of its reserve, and

(c) formulate plan for proper management of raw materials and spares.

**Appointment
of officers
of
enterprises**

13. A public corporation shall appoint the chief executive officers of its enterprises and such other officers of such enterprises as it may, by order in writing, specify and shall also appoint the auditors for such enterprises.

**Transfer of
officers,
employees,
etc.**

14. Notwithstanding anything contained in any terms and conditions of service or in any contract or in any rules, regulations or bye-laws relating to any terms and conditions of service, a public corporation may, if it considers expedient in the interest of better administration of the affairs and business of

itself or its enterprises, transfer its officers and other employees to an enterprise or transfer the officers and other employees, including workers, of one enterprise to another enterprise or to itself.

**Retirement
of a worker,
etc.**

³[14A. (1) A worker of an enterprise shall, notwithstanding anything contained in the terms and conditions of his employment in any contract, rule, regulation, bye-law or other instrument, retire from employment on the completion of the sixtyth year of his age:

Provided that a worker who has completed the sixtyth year of his age on or before the date of commencement of the Public Corporations (Management Co-ordination) (Amendment) Act, 1994 (১৯৯৪ সনের ১৭ নং আইন) shall cease to be in the employment of the enterprise on such commencement.]

**Power to
make
regulations**

15. The Council may, by notification in the official Gazette, make regulations for carrying out the purposes of this Ordinance.

¹ The word “and” was omitted by section 2 of the Public Corporations (Management Co-ordination) (Amendment) Act, 1994 (Act No. XVII of 1994).

² The semi-colon (;) was substituted for the full-stop (.) and thereafter clause (e) was added by section 2 of the Public Corporations (Management Co-ordination) (Amendment) Act, 1994 (Act No. XVII of 1994).

³ Section 14A was inserted by section 3 of the Public Corporations (Management Co-ordination) (Amendment) Act, 1994 (Act No. XVII of 1994).