

**THE RURAL ELECTRIFICATION BOARD
ORDINANCE, 1977**

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**THE RURAL ELECTRIFICATION BOARD
ORDINANCE, 1977**

ORDINANCE NO. LI OF 1977

[31st October, 1977]

**An Ordinance to provide for the establishment of the
Rural Electrification Board.**

WHEREAS it is expedient to provide for the establishment of a Board for rural electrification in Bangladesh and taking measures for effective use of electrical power for development of the rural economy of the country;

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 Rural Electrification Board Ordinance, 1977.

Definitions

2. In this Ordinance, unless there is anything repugnant in the subject or context,-

(a) "Board" means the Rural Electrification Board established under section 3;

(b) "Chairman" means the Chairman of the Board;

(c) "member" means a member of the Board and includes the Chairman;

(d) "prescribed" means prescribed by rules made under this Ordinance;

¹[(e) "rural area" means an area which is not included within a municipality and includes such a municipality or an area within a municipality as the Government may, by notification in the *official Gazette*, specify in this behalf;]

¹ Clause (e) was substituted by section 2 of the Rural Electrification Board (Amendment) Act, 2002 (Act No. XXII of 2002).

- (f) “Samity” means a Palli Bidyut Samity formed under this Ordinance and registered with the Board.

3. (1) As soon as may be after the commencement of this Ordinance, the Government shall, by notification in the *official Gazette*, establish a Board to be called the Rural Electrification Board for carrying out the purposes of this Ordinance.

Establishment
of the Board

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

4. (1) The head office of the Board shall be at Dacca.

Head Office,
etc.

(2) The Board may establish offices at such other places as it deems fit.

5. (1) The Board shall consist of the following members, namely:-

Composition of
the Board

- (a) a Chairman to be appointed by the Government;
- (b) ¹[four] whole-time members to be appointed by the Government;
- (c) one part-time member to represent the Bangladesh Power Development Board to be nominated by that Board;
- (d) one part-time member to represent the Bangladesh Agricultural Development Corporation to be nominated by that Corporation;
- (e) one part-time member to represent the Small and Cottage Industries Corporation to be nominated by that Corporation; and
- (f) one part-time member to represent the Integrated Rural Development Programme to be nominated by the Local Government, Rural Development and Co-operatives Division.

¹ The word “four” was substituted for the word “three” by section 2 of the Rural Electrification Board (Second Amendment) Act, 2001 (Act No. XXVII of 2001).

(2) The Chairman and other members shall hold office on such terms and conditions as the Government may determine.

(3) No act or proceeding of the Board shall be invalid merely on the ground of the existence of any vacancy in, or any defect in the constitution of, the Board.

Functions of
Chairman and
other members

6. (1) The Chairman shall be a whole-time officer and the chief executive of the Board.

(2) The Chairman and other members shall exercise such powers and perform such functions as may be prescribed or as may be assigned to them by the Board from time to time.

Meetings of the
Board

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

Provided that until rules are made in this behalf the meetings of the Board shall be held as and when convened by the Chairman.

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

(3) All questions at a meeting of the Board shall be decided by a majority of the members present and voting, and in the case of equality of votes the person presiding shall have a second or casting vote.

(4) All meetings of the Board shall be presided over by the Chairman or, in his absence, by a whole-time member authorised in writing by the Chairman.

Functions of the
Board

8. The functions of the Board shall be-

- (a) to establish electricity generation, transmission, transformation and distribution systems in the rural areas of Bangladesh;
- (b) to take measures for effective use of electricity to foster rural development with special emphasis on increase of use of electric power for economic pursuits, such as development of agriculture and establishment of rural industries and assisting the disadvantaged sections of the community for augmenting their income and standard of living;

- (c) to determine, with the approval of the Government, the criteria for rural electrification and associated works to ensure optimum use of resources and maximum socio-economic benefits;
- (d) to conduct surveys and feasibility studies and prepare schemes for establishment of electrical systems in the rural areas and to provide for prompt utilisation of electrical power for socio-economic benefits to the community;
- (e) to submit reports and schemes to the Government for approval and to execute the approved schemes;
- (f) to take over from the Bangladesh Power Development Board and other organisations electric systems together with the assets and liabilities relating thereto and arrange for their management;
- (g) to organise the prospective consumers of electricity into formal and informal groups, such as Palli Bidyut Samities, electric and other co-operatives, societies, associations and companies for the purpose of execution and management of schemes and providing related services;
- (h) to prescribe by-laws for the *Samities* and other groups for their registration with the Board and determining the manner of their functioning;
- (i) to receive grants and raise loans from the Government and other bodies and individuals for creating funds for the purpose of carrying out its business;
- (j) to advance funds, on such terms and conditions as it may determine, to any *Samity* or other group for the execution of approved schemes, operation and management of works and services and providing loans to their members for the purpose of obtaining electric connections and equipping them for productive utilisation of electrical power;
- (k) to hand over to any *Samity* or other group completed schemes for operation and management on such terms and conditions as it may determine;

- (l) to organise effective programme for preparation, execution, operation, and management of rural electrification programmes and related works;
- (m) to prescribe standards for work, equipment, operation, maintenance, procurement and warehousing personnel and fiscal administration and other aspects of management to be followed by the Board as well as by the *Samities* and other groups registered by it;
- (n) to prescribe relending terms for the *Samities* and other groups borrowing funds from the Board and prescribe regulations for project appraisal and credit administration;
- (o) to cooperate with agencies of the Government, interested non-government bodies as well as local administration and local authorities in rural development works and to take initiative for promotion of setting up of rural industries, boosting irrigation and drainage and augmenting commercial and domestic use of electricity;
- (p) to enter into any business, including manufacture of electric equipment, and to enter into any contract and arrangements with others for efficient discharge of its functions;
- (q) to conduct research and evaluation to adjudge the effectiveness of its programmes as well as those of others in the relevant fields;
- (r) to take such other measures and exercise such other powers as it considers necessary or expedient for carrying out its functions under this Ordinance.

Provisions
regarding power
supply

9. Notwithstanding anything contained ¹[in this Ordinance or] in any other law for the time being in force, the Board-

- (a) may, on such terms and conditions as may be determined by the Government, take over any electric power distribution system ²[including one in a municipality] and operate it or make it over to any Samity for its operation;

¹ The words “in this Ordinance or” were inserted by section 2 of the Rural Electrification Board (Amendment) Ordinance, 1985 (Ordinance No. LIII of 1985).

² The words “including one in a municipality” were inserted by section 2 of the Rural Electrification Board (Amendment) Ordinance, 1985 (Ordinance No. LIII of 1985).

- (b) may prescribe standards for the operation and maintenance of distribution system made over to the Samities;
- (c) shall receive supply of electricity from the Bangladesh Power Development Board ¹[and any power generating station run by any person or entity under a contract with the Government] at such rates and on such terms and conditions as may be determined by the Government;
- (d) shall approve the rate of electricity to be levied by the Samities and other groups for sale of electric power to their members and in doing so shall see that the rate enables the Samities and other groups at least to recover costs of financing, operation and maintenance and depreciation of assets.

²[9A. Notwithstanding anything contained in this Ordinance or in any other law for the time being in force, where any rural area is included in a municipality after the establishment therein of electricity generation, transmission, transformation and distribution systems by the Board, the systems so established shall continue to be operated, maintained and managed by the Board, as if the area had not been included in the Municipality.]

Special provision regarding operation, etc., of certain electricity system

10. The Board shall, for the purpose of Electricity Act, 1910 (IX of 1910), be deemed to be licensee and shall have all the powers and discharge all the obligations of a licensee under that Act:

Board to be licensee

Provided that nothing in sections 3 to 11, sub-sections (2) and (3) of section 21 and sections 22, 23 and 27 or in clauses I to XII of the Schedule to the said Act relating to the duties and obligations of a licensee shall apply to the Board.

11. (1) The Board may appoint such officers and other employees and engage such consultants, advisors, auditors and contractors as it may consider necessary for the performance of its functions on such terms and conditions as it may deem fit:

Appointment of officers, etc.

¹ The words “and any power generating station run by any person or entity under a contract with the Government” were inserted by section 2 of the Rural Electrification Board (Amendment) Act, 2001 (Act No. XXVI of 2001).

² Section 9A was inserted by section 3 of the Rural Electrification Board (Amendment) Ordinance, 1985 (Ordinance No. LIII of 1985).

Provided that no post shall be created by the Board without the prior approval of the Government.

(2) The Board may appoint officers and other employees on deputation from other organisations and may also depute its own officers and employees to other organisations.

Recovery of dues.

12. Any sum due to the Board or the Samities from any person under this Ordinance shall be recoverable as a public demand.

Fund.

13. (1) There shall be formed a Fund to be known as the Rural Electrification Board Fund which shall vest in the Board and shall be utilised by the Board to meet the charges in connection with its functions under this Ordinance, including the payment of salaries and other remunerations to the Chairman, members, officers and other employees of the Board.

(2) To the credit of the Rural Electrification Board Fund shall be placed-

- (a) grants made by the Government;
- (b) loans obtained from the Government;
- (c) grants made by local authorities;
- (d) grants and loans obtained from any source outside Bangladesh with the sanction of the Government;
- (e) sale-proceeds of electricity; and
- (f) all other sums received by the Board.

Borrowing power

14. The Board may, with the prior approval of the Government, borrow money for carrying out the purposes of this Ordinance or for servicing any loan obtained by it.

Budget

15. The Board shall, by such date before the commencement of every financial year as the Government may direct, submit to the Government for approval a budget, in such form as the Government may specify, for each financial year showing the estimated receipts and expenditure and the sums which are likely to be required from the Government during that financial year.

Audit and Accounts

16. (1) The Board shall maintain its accounts in such manner and form as the Government may specify.

(2) The accounts of the Board shall be audited by the Comptroller and Auditor-General of Bangladesh (hereinafter in this section referred to as the Auditor-General), in such manner as he deems fit.

(3) For the purpose of an audit under sub-section (2) the Auditor-General or any person authorised by him in this behalf shall have access to all records, books, documents, cash, securities, stores and other property of the Board and may examine the Chairman or any member, officer or employee of the Board.

(4) The Auditor-General shall, as soon as possible after completion of the audit, send to the Board his audit report and the Board shall forward it, with its comments thereon, to the Government.

(5) The Board shall take steps forthwith to remedy the defects or irregularities pointed out in the audit report.

17. (1) The Board shall submit to the Government, as soon as possible after the end of every financial year, a report on the conduct of its affairs for that year.

Submission of reports, etc.

(2) The Board shall submit to the Government at such times and at such interval as the Government may specify-

- (a) such returns, accounts, statements, estimates and statistics as may be required by the Government;
- (b) information and comments asked for by the Government on any specific subject;
- (c) copies of documents required by the Government for examination or any other purpose.

18. (1) The Chairman or any member, or any other person authorised by the Chairman in this behalf, may, with or without assistants or workmen, enter into or upon any land in order-

Power of Entry

- (a) to make any inspection, survey, experiment, valuation or inquiry;
- (b) to dig or bore into the sub-soil;
- (c) to set out boundaries and intended lines or work;

- (d) to mark such boundaries and lines by placing marks and cutting trenches; or
- (e) to do any other thing,

whenever it is necessary to do so for any of the purposes of this Ordinance:

Provided that no such entry shall be made without giving the occupier of the land at least twenty-four hours' notice of the intention to make such entry.

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

Power to place underground and overhead structure

19. The Board may place underground cable and pipes and overhead structures, such as poles, wires, brackets, stays, apparatus and appliances, for transmission and distribution of electricity as well as for telegraphic, telephonic, carrier and radio communications necessary for the proper execution of its schemes and performing other functions under this Ordinance.

Compulsory acquisition of land for the Board

20. Any land required by the Board for carrying out its functions under this Ordinance shall be deemed to be needed for a public purpose and such land may be requisitioned or acquired for the Board by the Government or the Deputy Commissioner, as the case may be, in accordance with any law for the time being in force.

Delegation of powers

21. The Board may, by general or special order, 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 by such member or officer of the Board as may be specified therein.

Power to issue directions

22. The Government may, from time to time, issue directions to the Board to take such measures as it considers necessary for carrying out the purposes of this Ordinance; and the Board shall comply with all such directions.

23. No suit, prosecution or other legal proceeding shall lie against the Board, the Chairman or any member, officer or employee of the Board for anything done or intended to be done in good faith under this Ordinance.

Indemnity

¹[**23A.** Notwithstanding anything contained in any other law for the time being in force, the Board or a Samity shall not be construed as a “shop”, “commercial establishment”, “factory” or “industry” within the meaning of the Shops and Establishments Act, 1965 (E.P. Act VII of 1965), the Factories Act, 1965 (E.P. Act IV of 1965), or the Industrial Relations Ordinance, 1969 (XXIII of 1969).]

Board, etc., not to be construed as shop, etc

24. No provision of law relating to the winding up of bodies corporate shall apply to the Board, and the Board shall not be wound up except by order of the Government and in such manner as the Government may direct.

Winding up

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

Power to make rules

26. The Board may, with the approval of the Government, make regulations, not inconsistent with the provisions of this Ordinance and the rules made thereunder, to provide for all matters not rendered to be provided for by rules and for which provision is necessary or expedient for carrying out the purposes of this Ordinance.

Power to make regulations

¹ Section 23A was inserted by section 2 of the Rural Electrification Board (Amendment) Act, 1988 (Act No. XXIV of 1988).