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GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
MINISTRY OF FINANCE

Finance Division

Dacca, the 30th November, 1976.

No. S.R.O. 421-L/76.—In exercise of the powers conferred by section 9 of the Companies Profits (Workers Participation) Act, 1968 (XII of 1968), and in supersession of the Companies Profits (Workers Participation) Rules, 1969, the Government is pleased to make the following rules, namely:—

1. **Short title and commencement.**—(1) These rules may be called the Companies Profits (Workers Participation) Rules, 1976.

(2) They shall come into force at once.

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

(a) "Act" means the Companies Profits (Workers Participation) Act, 1968 (XII of 1968); and

(b) "Section" means section of the Act.

3. **Establishment of Board of Trustees.**—(1) As soon as possible after the establishment of the Fund by a company, the company shall—

(a) intimate to the Government the names, addresses and other particulars of the two persons nominated by the company to represent its management on the Board to be constituted for the administration of the Fund; and

(b) hold elections amongst the workers to elect two of them to the Board by the method of single non-transferable vote to represent workers' interests on the Board.

(2) As soon as possible after the result of the elections held under sub-rule (1) is available, the company shall intimate to the Government the names, addresses and other particulars of the workers elected to the Board.

(3) The nominee of the company from the accounts branch or where both the nominees are from the accounts branch, the one designated by the company, shall act as the Secretary to the Fund.

(4) To assist the Board in the performance of its functions, the company shall, at its own expense, provide it with such office accommodation and secretarial staff as the Chairman of the Board may, in accordance with any general or special instructions of the Government in this behalf, require.

(5) It shall be the duty of the Secretary to the Fund to prepare a list of the workers eligible to the benefits of the scheme showing their average monthly wages computed in the manner set forth in paragraph 4 of the Schedule to the Act.

4. Functions of the Board.—(1) The Board shall meet as soon as practicable after it is constituted and frame regulations governing its procedure:

Provided that any regulation framed by the Board shall, to the extent it is repugnant to any of the provisions of the Act or these rules or any directions of the Government given thereunder, be void.

(2) The regulations framed by the Board under sub-rule (1) may, in particular, prescribe—

- (a) the manner of holding annual meeting of the Board after the working results of the company have been made available to determine the allocation of share of the Fund to individual workers;
- (b) the procedure for holding extraordinary meetings to consider individual cases of forfeiture of the shares of workers in the Fund;
- (c) the appointment of an Executive Committee, consisting of an equal number of members representing respectively the workers and the management of the company, to transact all the day-to-day business of the Board, including the receipt and disbursement of money and securities and entering into any proceedings on behalf of the Board, subject to such conditions and limitations as the Board may decide;
- (d) the procedure for decision on any question through circulation of papers to all trustees where it is not convenient or practicable to hold a meeting of the Board;
- (e) the quorum and requirement of notice for the meeting of the Board; and
- (f) the entrustment to the Secretary of the functions relating to maintenance of the office and records of the Board.

5. Term of Office.—(1) A trustee elected or nominated on the Board shall hold office for a period of three years.

(2) The trustees shall not be entitled to any remuneration for their services as such but the reasonable cost of their travel for attending meetings of the Board shall be borne by the company.

6. **Maintenance of Accounts.**—The procedure for maintenance of accounts and determination of annual and long term benefits to the workers shall be, as far as possible, in accordance with the Model Procedure set out in Annex I appended to these rules.

7. **Limitation as to the power of the trustees.**—No trustee shall have any right to vote or take a decision as such trustee upon any matter relating solely to himself or to any of his rights or benefits under the scheme.

8. **Miscellaneous.**—(1) All actions and determinations of the Board affecting workers shall be uniform in nature as to all workers similarly situated and nothing shall be done or omitted in the administration of the Scheme which may unreasonably discriminate in favour of or against workers who are officers, shareholders or supervisors.

(2) Neither any income of, nor benefits due to, the workers under the Scheme may be assigned, hypothecated, exchanged or sold.

(3) Units shall be transferable only by the Board under the provisions of the Scheme relating to issuance, forfeiture and cancellation of Units.

(4) If the Scheme is, for any reason, discontinued with respect to a company, the Fund shall be distributed among the workers in accordance with the net asset value of the Units credited as of the date of termination, in cash or in kind as the Board may determine.

ANNEXURE I

MODEL PROCEDURE FOR THE MAINTENANCE OF ACCOUNTS OF WORKERS PARTICIPATION FUND.

[See Illustration of the Methods of Computation—Annex-II]

CONTRIBUTIONS

The Company's Allocations.

1. For each year of account of a company to which the Scheme applies, the Act requires the company to contribute to the Fund a sum equivalent to two and one half per cent of its profits, as defined in the Act, earned during such year. This annual allocation shall be made within nine months after the closing of each such year.

Explanation—The basis of calculation of 2½% to the Fund shall be the same as adopted by the company for computing the managing agency commission.

2. All capital contributions to the Fund shall be made by the company or by the workers and no contribution shall be required or permitted of any other persons or entities.

3. The annual allocation of the company shall be distributed among the workers by crediting each worker's account with evidences of participation known as "compulsory Units", as more particularly described in paragraphs 4 and 5 below. Workers may increase their participating share in the Fund by purchasing, out of wages, bonus, dividend or interest, additional Units known as "Contributory Units" as more particularly described in paragraph 6 below.

CREDITING OF UNITS

Compulsory Units.

4. (1) In the first year of the Fund, the Board shall credit the account of each eligible worker with the number of compulsory Units determined in the manner laid down in paragraph 4 of the Scheme.

(2) For the purpose of crediting the first such allocation, compulsory Units shall be valued at Taka 10.00 each and for the purpose of crediting subsequent allocations, Units shall be valued in the manner provided in paragraph 5 below worked out to two places of decimal.

5. The fair market value of the net assets in the Fund is to be determined as on the last day of each year of account by the Board in accordance with the generally accepted accounting procedure consistently applied and with the following guidelines, namely:—

- (i) for listed securities, the last reported sale price on a stock exchange shall be used and for unlisted securities break-up value shall be used;
- (ii) securities purchased and awaiting payment against delivery shall be included as assets of the Fund, and the cash account adjusted;
- (iii) securities sold but not delivered pending receipt of proceeds shall be excluded and the account adjusted;
- (iv) cash in hand and with banks is to be valued at face amount.

The fair market value of such net assets as so determined, excluding the company's annual allocation for such year of account shall then be divided by the number of Units existing (both Compulsory Units and Contributory Units as referred to in paragraph 6 below) at the beginning of such year of account and the result taken as the unit value (hereinafter called the current unit value) to be used in crediting the company's allocation for such year among workers in terms of Compulsory Units as set forth in paragraph 4 above.

Contributory Units.

6. The Board may announce programme for the periodic acceptance of workers' payment out of wages and bonus for Contributory Units, as on the end of each year of account, a worker purchasing Contributory Units shall be credited with 1.25 times the number of Contributory Units resulting from the division of the worker's contribution by the current unit value for that year.

INCOME

Principal and Income of Fund.

7. The Board shall maintain an income account and a principal account for the assets held in trust in the Fund under the normal accounting principles applicable to trust funds, and all receipts shall be classified and credited to income or principal.

8. Realised capital gains shall be credited to the income account and the net asset value adjusted accordingly.

9. As of the end of each year of account, the income of the Fund shall be allocated *pro rata* among the existing Compulsory and Contributory Units. Contributory Units purchased out of wages, bonus dividend or interest for a year of account are not entitled to a share in income until the next succeeding year of account.

10. Procedures laid down by the Board shall provide for adequate notice being conveyed to each worker concerning his option to have income and wages or bonus credited towards the purchase of Contributory Units. The option shall only be exercised after workers are notified of forfeited Units.

RETIREMENT BENEFITS

Computation and payment.

11. A retiring worker shall receive an amount representing the current unit value of the Units standing in his name as on the first day of the year of account during which he retires.

12. Payment of retirement benefits shall be charged to the principal account of the Fund and the Units so paid out shall stand cancelled.

FORFEITURES

Determination of Units forfeited.

13. Prior to actual disbursement of any income or benefit with respect to any year of account of the company, the Board shall determine the number of compulsory Units forfeited with respect to such year under the provisions of paragraph 5 of the Scheme (Contributory Units are not subject to forfeiture).

Treatment of forfeited Units.

14. (1) Paragraph 5 of the Scheme sets forth the circumstances under which a worker's share in the Fund or a percentage of the net asset value of his Units is to stand forfeited.

(2) Since all Units have the same net asset value as on the date of calculation, the Board shall, in consequence of the forfeiture of the share of a worker in the Fund, cause all forfeited Compulsory Units to be removed from his account.

15. Units so removed from the account of a worker shall be cancelled and the current Unit value of the remaining Units shall be recalculated.

DISBURSEMENT OF BENEFITS

Statement of account and payment.

16. The Board shall, as soon as may be after the annual allocation to the Fund, issue a statement of account to each worker showing the number of compulsory and Contributory Units standing in his name as at the end of the relevant year of account and as at the beginning of the next succeeding year of account, the net asset value thereof, the nature and extent of any income or benefits distributable thereon, and other pertinent information. The statement shall be accompanied by currency or a warrant encashable at the site of employment for all income or benefits due on Units credited to such worker.

17. All payment of retirement benefits with respect to Units shall be against redemption and cancellation of such Units, provided that the Board may make advance payment on account to retired workers or their beneficiaries during a year of account up to 60 per cent of the estimated net asset value of Units held, in which case such Units shall be redeemed and cancelled only after final payment of adjusted benefits on audit.

18. A worker shall be treated as retired for purposes of the Scheme at any time upon becoming permanently disabled while in the service of the company, or after attaining the age of retirement as may be stipulated in his contract of employment or under any applicable law for the time being in force and when no such age is specified, the age at which a worker is customarily retired with regard to the nature of his employment.

ANNEXURE II

ILLUSTRATION OF THE METHODS OF COMPUTATION

Name of the Company—XYZ Company Ltd.

First Accounting Year of the Company XYZ to which the Scheme Applies.

1st July, 1971 to 30th June, 1972.

Number of Workers:

(i) Number of Workers drawing average monthly wages not exceeding Taka 300.	100
(ii) Number of workers drawing average monthly wages exceeding Taka 300 but not exceeding Taka 600.	40
(iii) Number of workers drawing average monthly wages exceeding Taka 600 but not exceeding Taka 1,000.	10

Total	...	150
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The annual net profits of XYZ Company Ltd.	Tk. 1,20,000
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Contribution of XYZ Company Ltd. to the workers' Participation Fund being $2\frac{1}{2}$ per cent. of its annual net profits.		Tk. 3,000
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Total number of units of the denomination of Taka 10 available for distribution.		300
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Number of units available to all the workers of category (i).	(3)	
	$3+2+1$	$\times 300$
	$= 150$	

Compulsory units of each worker	150
		100
		$= 1.5$

Number of units available to all the workers in category (ii).	(2)	
	$3+2+1$	$= 300$
	$= 100$	

Compulsory units of each worker in category (ii)	100	
	40	
	$= 2.5$	

Number of units available to all the workers in category (iii).	(1)	
	$3+2+1$	$= 300$
	$= 50$	

Compulsory units of each worker in category (iii)	50	
	10	
	$= 5$	

Accounting entries on 1.7.1972:

Credit to the Principal of the Fund	=	Tk. 3,000
Credit to the income of the Fund	=	NIL

Suppose the company requested the Board to utilise Taka 2,000 for investment under sub-paragraph (7) of paragraph 2 of the Scheme, and the Fund accordingly invested Taka 2,000 in 200 shares of ABC Company purchased at the rate of Taka 10.00 per share. On the 30th June, 1973 the shares of ABC Company purchased appreciated in value to Taka 13.00 per share. In addition, the ABC Company declared a dividend of Taka 225 on these shares.

The balance of Taka 1,000 remained with the Company for its business operation as laid down in sub-paragraph (i) of paragraph 2 of the Scheme. The Company will be liable to pay interest at the rate of $2\frac{1}{2}$ above bank rate on the amount utilised for its business operations. If the bank rate is 5 per cent. the rate payable by the company comes to $7\frac{1}{2}$ per cent. If, however, the rate of dividend of the Company is $12\frac{1}{2}$ per cent. the company will be liable to pay interest at the rate of 9 per cent. being 75 per cent. of the dividend rate.

The dividend and interest income will be distributed among the existing units on 30th June, 1973 equally as shown below:

Income according to the Fund on account of interest paid by XYZ Company at the rate of 7.5 per cent. because the average weighted rate of dividend declared by the Company is not more than 10 per cent.	Tk. 75
Income on account of dividend paid by ABC Company.	Tk. 225
Total income of the Fund as on 30-6-1973	Taka 300
Income entitlement per unit	300
	300
	= Tk. 1.00
Income entitlement of a worker in category (i) } Income per unit × (Number of units held by the worker)	
	= 1.00 × 1.5
	= Taka 1.50

The position of the Fund as on 30th June, 1973—

(See paragraph 6 of the Model Procedure)

Loan to XYZ Company	Tk. 1,000
200 shares of ABD Company at the rate of Taka 15 per share.	Tk. 3,000
Net asset value of the Fund as on 30th June, 1973	Tk. 4,000

Subsequent year of the Fund—

Number of units existing as on 1-7-1973	..	Tk. 300	
Net asset value of the Fund as on 1-7-1973	..	Tk. 4,000	
The current unit value	..	=	<u>Net asset of the Fund</u>
			Existing Units.
			4,000
			<u>300</u>
		=	Tk. 13.33
Profits of the company for the year ending 30th June, 1973.	=	Tk. 1,33,000	
Amount to be contributed by the company to the Fund at the rate of 2½% of the profits.	=	+3,375	
Compulsory Units available for distribution among all the workers.	=	<u>3,375</u>	
			13.33
		=	253.18
Compulsory Units in respect of company's contribution for the year ending on the 30th June, 1973 available to a worker in category (i).		(3)	
		<u>3+2+1</u>	= 253.18
			1
			<u>100</u>
		=	1.26 Units expressed in terms of current unit value of Taka 13.33 per unit.

The position of accounts as on 1st July, 1976—

Loan to XYZ Company	=Tk. 1,000
200 shares of ABC Company	=Tk. 3,000
Cash (Contribution made by XYZ Company Ltd. to the Fund).			=Tk. 3,375
		Total	<u>7,375</u>

Suppose a worker in category (i) whose monthly wages is Taka 250 wishes to purchase Contributory Units worth Tk. 400.

Since contribution by a worker is restricted to 10% of his annual wages under paragraph 7 of the Scheme the maximum contribution permissible to this worker will be Taka (10)

$$\frac{\quad}{100} \times (250 \times 12) = \text{Taka } 300.$$

Suppose the worker referred to above purchased Contributory Units on the 14th January, 1974. He will not get any credit for these Units until the 30th June, 1974. However, the position of the Fund as on 14th January, 1974 will be as follows :—

Net asset value as on 1-7-1973		=Tk. 7,375
Cash on account of voluntary contribution ..		=Tk. 300
		Total Tk. 7,675

Suppose during the year of account 1-7-1973 to 30-6-1974, the Fund's income on account of interest receipts, dividend receipts and realised capital gains is Taka 300. This income will be distributed among all the units existing on 30th June, 1974. The Contributory Units which were purchased on 14th January, 1974 by a worker in category (i) will be ignored as those will be participated only in the income of the next accounting year.

		distributable income
Income per unit	=	$\frac{\quad}{\text{number of units}}$
		300
	=	$\frac{(300 + 253 \cdot 18)}{300}$
		553 \cdot 18
	=	Tk. .54

Suppose during the year of account 1-7-1973 to 30-6-1974 there has been an increase of Taka 325.00 in the net asset value of Fund. Therefore, the net asset value of the Fund on 30th June 1974 would be (7675+325) =Taka 8,000

Contributory Units allocated to the Worker.		= The worker's contribution
		1.25
		current Unit value.
		300
	=	$13 \cdot 33 \times 1 \cdot 25$

By order of the President
M. A. MALIK
Joint Secretary.

MINISTRY OF HEALTH, POPULATION CONTROL, LABOUR AND
SOCIAL WELFARE

(Labour and Social Welfare Division)

Section VII

NOTIFICATION

Dacca, the 29th November, 1976.

No. S.R.O. 422-L/76/S-VII/1(76)/76/1094.—In exercise of the powers conferred by sub-section (1) of section 3 of the Shops and Establishments Act, 1965 (E. P. Act VII of 1965), the Government is pleased to suspend the operation of the provisions of sections 4, 8, 10 and 11 of the said Act in respect of the following establishments for a period of six months subject to the conditions mentioned below:—

- (1) Kushtia Chinikal Ltd., district Kushtia.
 - (2) Mobarakganj Chinikal Ltd., district Jessore.
 - (3) Panchagarh Chinikal Ltd., district Dinajpur.
 - (4) Kaliachapara Chinikal Ltd., district Mymensingh.
 - (5) North Bengal Chinikal Ltd., district Rangpur.
 - (6) Deshabandhu Chinikal Ltd., district Dacca.
- (1) The workers required to work overtime shall be paid wages at double the rate of ordinary wages for working beyond the normal working hours.
 - (2) The workers deprived of weekly holidays be allowed compensatory weekly holidays within a month after the expiry of the above exempted period.

By order of the President

M. G. MORTUJA
Deputy Secretary.

MINISTRY OF LAW AND PARLIAMENTARY AFFAIRS

Justice Branch

Section IV

NOTIFICATIONS

Dacca, the 30th November, 1976.

No. 931-J IV/2T-17/76.—In exercise of the powers conferred by clause (2) of regulations 3 of the Martial Law Regulations, 1975, the Government is pleased to transfer the cases mentioned in column I of the schedule below and pending

in the Courts shown in column II thereof to the Special Martial Law Courts specified in column III of the schedule:

SCHEDULE

Case No.	Court where cases are pending.	Special Martial Law Court.
I	II	III
1. M.L. Case No. 57/76, arising out of Netrakona (Mymensingh) P.S. Case No. 11, dated 12-9-1974, u/s. 25 of Special Powers Act, 1974.	Summary Martial Law Court, Netrakona.	Special Martial Law Court No. I, Dacca
2. M.L. Case No. 45/76, arising out of Dewangarj (Mymensingh) P. S. Case No. 15, dated 24-1-1975, u.s. 156 (8), Customs Act.	Summary Martial Law Court, Jamalpur.	Ditto.
3. M.L. Case No. 68/76 arising out of Netrakona (Mymensingh), P. S. Case No. 5(11)75, u/s. 406, Penal Code.	Summary Martial Law Court, Netrakona.	Ditto
4. M.L. Case No. 48/76 arising out of Ramna (Dacca). P. S. Case No. 242, dated 22-1-1975, u/ss. 380/411/468, 471, Penal Code.	Special Martial Law Court, No. I, Dacca.	Special Martial Law Court No. II, Dacca.
5. M.L. Case No. 49/76 arising out of Ramna (Dacca) P.S. Case No. 243, dated 22-1-1975, u ss. 380/411/467/468/471, Penal Code.	Ditto.	Ditto.

No. 932-JIV/1T-4/75.—In exercise of the powers conferred by regulation 2 of the Martial Law Regulations, 1975 (Regulation No. I of 1975), and in partial modification of notification No. 1253-JIV/1T-4/75, dated 20th October, 1975, the Government is pleased to appoint BSS-11253-Major A. T. M. Khairul Alam in place of BA-11087-Major A. K. M. Saifuddin as member, Summary Martial Law Court, Chittagong and direct that the following further amendment be made in the said notification, namely:—

In the aforesaid notification, in the Schedule, for the entry "BA-11087-Major A. K. M. Saifuddin" in column III against the entry "5. Summary Martial Law Court, Chittagong" in column I the entry "BSS-11253-Major A. T. M. Khairul Alam" shall be substituted.

By order of the President
A. R. CHOUDHURY
Secretary.