



The West Bengal Development Corporation Act, 1954

Act 14 of 1955

Keyword(s):

The Corporation Board, Development, Development Scheme, Land Acquisition

DISCLAIMER: This document is being furnished to you for your information by PRS Legislative Research (PRS). The contents of this document have been obtained from sources PRS believes to be reliable. These contents have not been independently verified, and PRS makes no representation or warranty as to the accuracy, completeness or correctness. In some cases the Principal Act and/or Amendment Act may not be available. Principal Acts may or may not include subsequent amendments. For authoritative text, please contact the relevant state department concerned or refer to the latest government publication or the gazette notification. Any person using this material should take their own professional and legal advice before acting on any information contained in this document. PRS or any persons connected with it do not accept any liability arising from the use of this document. PRS or any persons connected with it shall not be in any way responsible for any loss, damage, or distress to any person on account of any action taken or not taken on the basis of this document.

©

West Bengal Act XIV of 1955¹

THE WEST BENGAL DEVELOPMENT CORPORATION ACT, 1954.

AMENDED

[West Ben. Act XXII of 1956.
West Ben. Act XX of 1963.

[20th April, 1955.]

An Act to establish a Development Corporation for West Bengal.

WHEREAS it is expedient to provide for the establishment of a Development Corporation for West Bengal.

It is hereby enacted as follows:—

1. (1) This Act may be called the West Bengal Development Corporation Act, 1954.

(2) It extends to the whole of West Bengal.

(3) It shall come into force² on such date as the State Government may, by notification in the *Official Gazette*, appoint.

Short title,
extent and
commence-
ment.

2. In this Act, unless there is anything repugnant in the subject or context,—

(a) "the Corporation" means the Development Corporation established under section 3;

(b) "Board" means an Executive Board constituted under section 13;

(c) "prescribed" means prescribed by rules made under this Act.

Definitions.

3. (1) The State Government may, by notification in the *Official Gazette*, establish a Development Corporation for West Bengal.

(2) The Corporation shall be a body corporate by the name notified under sub-section (1) and having perpetual succession and a common seal and shall by the said name sue and be sued.

Incorporation.

4. (1) The Corporation shall consist of a Chairman and such number of other members, not exceeding ten, as the State Government may think fit to appoint.

Constitution
of the
Corporation.

¹For Statement of Objects and Reasons, see the *Calcutta Gazette, Extraordinary*, dated the 12th March, 1954, Pt. IVA, page 320; for proceedings of the West Bengal Legislative Assembly, see the proceedings of the meetings of the West Bengal Legislative Assembly held on the 21st, 22nd, 23rd, 29th and 30th September, 1954 and the 9th and 10th February, 1955; and for proceedings of the West Bengal Legislative Council, see the proceedings of the meetings of the West Bengal Legislative Council held on the 23rd February and the 1st March, 1955.

²This Act was brought into force with effect from the 1st December, 1955, vide Notification No. 7758/2C-20/55, dated the 28th November, 1955, published in the *Calcutta Gazette, Extraordinary*, dated the 1st December, 1955, Pt. I, page 2189.

³For Notification relating to establishment of "The West Bengal Development Corporation", see notification No. 7066/2C-20/55, dated 11.8.56, published in the *Calcutta Gazette* of 1956, Part I, page 3263.

(Sections 4A-6.)

(2) The State Government may, if it so thinks fit, appoint one of the other members as the Vice-Chairman of the Corporation.

(3) Rules made under this Act shall provide for the representation of the State Government in the Corporation and in the event of the capital of the Corporation being raised by the issue of shares to other parties, provision shall also be made for the representation of such share-holders in the Corporation and the manner in which the representatives shall be elected by such share-holders.

(4) The term of office of, and the manner of filling casual vacancies among, the members of the Corporation shall be such as may be prescribed.

Disqualifications for membership.

14A. A person shall be disqualified for being chosen as, and for being, a member of the Corporation—

- (a) if he is a lunatic or a person of unsound mind, or
- (b) if he has been adjudged insolvent, or
- (c) if he has been convicted of an offence involving moral turpitude, or
- (d) if he has directly or indirectly any interest in any subsisting contract made with or in any work being done for, the Corporation except as a share-holder (other than a Director) in an incorporated company, provided that where he is a share-holder, he shall disclose to the State Government the nature and extent of the shares held by him in such company, or
- (e) if he has any financial interest in any of the schemes undertaken by the Corporation for execution, or
- (f) if he is a member of Parliament or of any State Legislature.

Resignation of Chairman and members.

5. The Chairman or any other member of the Corporation may resign his office by giving notice in writing to the State Government and on such resignation being accepted by that Government, shall be deemed to have vacated his office.

Removal from office of Chairman or member.

6. The State Government may remove from office the Chairman or any other member of the Corporation who—

- (a) without excuse, sufficient in the opinion of the State Government, is absent from more than four consecutive meetings of the Corporation,

¹This section was inserted by s. 2 of the West Bengal Development Corporation (Amendment) Act, 1956 (West Ben. Act XXII of 1956).

XIV of 1955.]

(Sections 7-9.)

(b) has, in the opinion of the State Government, so abused his position as a member as to render his continuance on the Corporation detrimental to the interest of the Corporation.

7. No act or proceeding of the Corporation shall be invalid by reason only of the existence of any vacancy amongst its members or any defect in the constitution thereof.

Validity of acts and proceedings.

8. (1) The Corporation shall meet at such time and place and shall, subject to the provisions of sub-sections (2) and (3), observe such rules of procedure in regard to transaction of business at its meetings as may be provided by regulations made under this Act.

Transaction of business.

(2) The person to preside at a meeting of the Corporation shall be the Chairman thereof or in his absence from any meeting, the Vice-Chairman, if any, or in the absence of both the Chairman and the Vice-Chairman, such member as may be chosen by the members present from amongst themselves to preside.

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

9. (1) The Corporation shall have an Administrative Officer and a Chief Accounts Officer, both of whom shall be appointed by the State Government.

Administrative Officer and Chief Accounts Officer and other staff.

(2) The Corporation may appoint such other officer and servants as it considers necessary for the efficient performance of its functions.

(3) The conditions of appointment of officers and servants and the scales of pay of the officer and servants of the Corporation shall—

- (a) as respect the Administrative Officer and the Chief Accounts Officer be such as may be prescribed; and
- (b) as respect the other officers and servants be such as may, subject to the approval of the State Government, be determined by regulations made under this Act.

(4) The Administrative Officer shall be the Executive Head of the Corporation and all other officers and servants of the Corporation shall be subordinate to him.

(5) The Chief Accounts Officer shall have the right to record his views on every proposal involving expenditure from the funds of the Corporation prior to the consideration of such proposal by the Corporation.

(Sections 10-15.)

Officers and servants of Corporation not to have any interest in contract, etc.

10. No person who has directly or indirectly by himself or his partner or agent, any share or interest in any contract, by or on behalf of the Corporation or in any scheme undertaken by the Corporation shall become or remain an officer or servant of the Corporation.

Conferral of powers on Administrative Officer.

11. The Corporation may authorise the Administrative Officer, subject to such conditions and limitations as it may specify, to exercise such powers and perform such duties as it may deem necessary for the efficient administration of its business.

Authentication.

12. All orders and decisions of the Corporation shall be authenticated by the signature of the Chairman or any other member authorised by the Corporation in this behalf and all other instruments issued by the Corporation shall be authenticated by the signature of the Administrative Officer or by any other officer of the Corporation authorised by the Administrative Officer in this behalf.

Executive Boards.

13. The State Government may, after ascertaining the views of the Corporation, by notification in the *Official Gazette*, constitute one or more Executive Boards consisting of such number of persons, not exceeding seven, on such terms and for the purpose of executing any particular scheme or schemes as may be specified in the notification.

Officers and servants of Boards.

14. (1) The Board or Boards may appoint such officers and servants as may be necessary for the performance of their functions subject to sanction by the Corporation.

(2) The Administrative Officer of the Corporation shall have general powers of superintendence and control over the officers and servants appointed by the Board or Boards and the Chief Accounts Officer of the Corporation shall have the right to advise the Board or Boards on financial matters.

Delegation of powers to Boards.

15. The Corporation may delegate to the Board or Boards all or any of its powers subject to such conditions and limitations as may be specified, so however that the Board or Boards shall function subject to the general control and supervision by the Corporation.

¹For notification constituting—

- (a) the West Bengal Brick Board, see notification No. 7645/15-114/56, dated 7.9.57, published in the *Calcutta Gazette* of 1957, Part I, page 3385.
- (b) the West Bengal Housing Board, see notification No. 992/2C-66/57, dated 2.2.58, published in the *Calcutta Gazette* of 1958, Part I, page 490.

XIV of 1955.]

(Sections 16, 17.)

16. The State Government may, from time to time by ¹notification in the *Official Gazette*, authorise the Corporation to undertake development schemes in respect of such objects as may be specified and in particular in respect of—

Development Schemes.

- (1) reclamation and improvement of land for establishing townships or for executing housing schemes or for agriculture;
- (2) water-supply;
- (3) drainage and irrigation;
- (4) disposal of sewage and manufacture of sewage gas;
- (5) fisheries;
- (6) dairy farms;
- (7) poultry and live-stock;
- (8) manufacture of salt.

17. Subject to the provisions of this Act, the Corporation shall have power—

Powers of the Corporation.

- (a) to acquire or hold such property both movable and immovable as the Corporation may deem necessary for the purpose of any of its activities and to lease, sell or otherwise transfer any property held by it;
- 2* * * * *
- (b) to purchase by agreement or to take on lease or under any form of tenancy any land and to erect thereon such buildings as may be necessary for the purpose of carrying on its undertakings;
 - (c) to enter into or perform such contract as may be necessary for the performance of its duties and the exercise of its powers under this Act;
 - (d) to provide facilities for the consignment, storage and delivery of goods;
 - (e) with the prior approval of the State Government to do all other things to facilitate the proper carrying on of the business and the functions of the Corporation.

¹For notifications relating to authorisation of the West Bengal Development Corporation to undertake various development schemes—

- (a) see notification No. 7644/1S—114/56, dated 7.9.57, published in the *Calcutta Gazette* of 1958, Part I, pages 3384-3385.
- (b) see notification No. 785/2C—66/57, dated 30.1.58, published in the *Calcutta Gazette* of 1958, Part I, page 430.
- (c) see notification No. 7720/2C—29/59, dated 26.10.59, published in the *Calcutta Gazette* of 1959, Part I, page 3892.
- (d) see notification No. 2669/15/28/60, dated 28.3.60, published in the *Calcutta Gazette* of 1960, Part I, page 1158.
- (e) see notification No. 3694/23—4/60, dated 2.5.60, published in the *Calcutta Gazette* of 1960, Part I, page 1582.

²The Explanation to clause (a) of section 17 was omitted by s. 2 of the West Bengal Development Corporation (Amendment) Act, 1963 (West Ben. Act XX of 1963).

(Sections 17A-19.)

Requisitioning
and
acquisition
of land.

17A. (1) The State Government may, at the cost of the Corporation, requisition or acquire any land for purposes of the Corporation in accordance with the provisions of any law for the time being in force.

(2) When land is requisitioned in pursuance of sub-section (1), possession thereof shall be made over to the Corporation and the Corporation shall be liable to pay to the State Government such recurring compensation as may be determined.

(3) When land is acquired in pursuance of sub-section (1) and the cost has been paid by the Corporation, possession thereof shall be made over to the Corporation and thereupon the acquired land shall vest in the Corporation:

Provided that the Corporation shall remain liable to pay to the State Government any additional compensation which may be payable for acquisition of such land.

Corporation
to act on
business
principles.

18. It shall be the general principle of the Corporation that in carrying on its undertakings it shall act on business principles.

Capital
of the
Corporation.

19. (1) The State Government may provide to the Corporation any capital that may be required by it for the purpose of carrying on its undertakings or for purposes connected therewith on such terms and conditions not inconsistent with the provisions of this Act as the State Government may determine.

(2) The Corporation may supplement its capital by the issue of shares when so authorised by the State Government.

(3) The authorised capital of the Corporation shall be divided into such number of shares as the State Government may determine, and the number of shares which may be subscribed by the State Government and other parties shall also be determined by the State Government:

Provided that the value of the shares to be subscribed by the State Government shall not be less than *fifty-one per cent.* of the authorised capital.

(4) The allotment of shares to other parties mentioned in sub-section (3) shall be made by the Corporation in such manner as may be prescribed.

(5) The shares of the Corporation shall not be transferable except in accordance with such rules as may be made under this Act.

(6) The Corporation may at any time, with the previous approval of the State Government, redeem the shares issued to the other parties in such manner as may be prescribed.

¹Section 17A was inserted by s. 3 of the West Bengal Development Corporation (Amendment) Act, 1963 (West Ben. Act XX of 1963).

XIV of 1955.]

(Sections 20-26.)

20. If after the issue of shares under sub-section (2) of section 19, the Corporation requires any further capital, the Corporation may, with the previous sanction of the State Government, raise such additional capital by the issue of new shares and the provisions of sub-sections (3), (4), (5) and (6) of section 19 shall apply *mutatis mutandis* to such shares. Additional capital.
21. The shares of the Corporation shall be guaranteed by the State Government as to the payment of the principal and as to the payment of annual dividend at such rate not being less than five *per cent. per annum* or more than seven *per cent. per annum*, as may be fixed by the State Government by notification published in the *Official Gazette* at the time of issuing the shares. Guarantee by State Government to respect of shares.
22. (1) The Corporation may, with the previous approval of the State Government, borrow money in the open market or otherwise ¹[for carrying out the purposes of this Act.] Borrowing by the Corporation.
- (2) Money borrowed under sub-section (1) by the Corporation shall be guaranteed by the State Government as to the repayment of the principal and the payment of interest at such rate not being less than four *per cent. per annum* as the State Government may, on the recommendation of the Corporation, fix at the time the money is borrowed.
23. All receipts of the Corporation shall be carried into its general fund and all payments by the Corporation shall be made therefrom. Receipts into and payments from the general fund of the Corporation.
24. The Corporation shall make suitable grants to the Board or Boards for executing the schemes entrusted to the Board or Boards. Grants to Board or Boards.
25. The Corporation shall pay dividends on shares at such rate as may from time to time be fixed by the State Government under section 21 and subject to any general limitations which may be imposed by the State Government, and the payment of such dividend shall be deemed to be a part of the expenditure of the Corporation. Dividends on shares.
26. (1) The Corporation shall make such provisions for reserve and other specially denominated funds as the State Government may from time to time direct. Reserve and other funds.
- (2) The management of the funds referred to in sub-section (1), the sums to be carried from time to time to the credit thereof and the application of the money comprised therein shall be determined by the Corporation.

¹These words within the square brackets were substituted for the words "for the purpose of raising its working capital," by s. 3 of the West Bengal Development Corporation (Amendment)

(Sections 27-30.)

(3) None of the funds referred to in sub-section (1) shall be utilised for any purpose not connected with the functions of the Corporation without the previous approval of the State Government.

Expenditure
from the
funds.

27. The Corporation shall have power to spend such sums as it thinks fit on objects authorised under this Act and such sums shall be treated as expenditure payable out of the general fund of the Corporation or the funds referred to in sub-section (1) of section 26, as the case may be.

Budget.

28. (1) The Corporation shall, by such date in each year as may be prescribed, prepare and submit to the State Government for approval the budget for the next financial year showing the estimated receipts and expenditure during that financial year in such form as may be prescribed.

(2) The Corporation may sanction any reappropriation within the grant from one head of expenditure to another or from a provision made for one scheme to that in respect of another, subject to the condition that the aggregate of the grant is not exceeded.

(3) The Corporation may, within such limits and subject to such conditions as may be prescribed, incur expenditure in excess of the limit provided in the budget approved by the State Government under any head of expenditure or in connection with any particular scheme.

(4) A copy of the budget shall be placed before the State Legislature as soon as may be after the same is prepared.

Audit by
Auditor
appointed
by State
Government.

29. (1) The Corporation shall cause to be maintained books of account and other books in relation to its accounts in such form and in such manner as may be prescribed.

(2) The accounts of the Corporation shall be audited by the Auditor appointed by the State Government in this behalf at such times and in such manner as may be prescribed.

(3) As soon as the accounts of the Corporation have been audited, the Corporation shall send a copy thereof together with a copy of the report of the Auditor thereon to the State Government.

Power
of State
Government
to issue
instructions.

30. The State Government may issue to the Corporation general instructions to be followed by the Corporation and such instructions may include directions relating to the recruitment, the conditions of service and training of its employees, the wages to be paid to the employees, the reserves to be maintained by it and the disposal of its property, movable or immovable, and the Corporation shall be bound to follow such

XIV of 1955.]

(Sections 31, 32.)

31. (1) The Corporation shall furnish to the State Government such returns, statistics, accounts and other information with respect to its property of activities or in regard to any proposed scheme as the State Government may from time to time require.

Furnishing of returns, etc.

(2) The Corporation shall also furnish to the State Government an annual report on its working as soon as may be after the end of each year and a copy of the annual report shall be placed before the State Legislature as soon as may be after it is received by the State Government.

32. (1) If the State Government is of opinion that the Corporation or a Board established under this Act is unable to perform or has made default in the performance of the duties imposed upon it by or under the provisions of this Act or has exceeded or abused its powers, the State Government may, by notification in the *Official Gazette*, supersede the Corporation or the Board for such period as may be specified in the notification:

Supersession of the Corporation or of the Boards.

Provided that before issuing a notification under this sub-section the State Government shall give a reasonable time to the Corporation or the Board to show cause why it should not be superseded and shall consider the explanations and the objections, if any, of the Corporation or the Board.

(2) Upon the publication of a notification under sub-section (1) superseding the Corporation or a Board—

- (a) all the members of the Corporation or the Board shall as from the date of supersession vacate their offices as such members;
- (b) all the powers and duties which may by or under the provisions of this Act or of any other law be exercised or performed by or on behalf of the Corporation or the Board shall during the period of supersession be exercised and performed by such person or persons as the State Government may direct;
- (c) all property vested in the Corporation shall during the period of supersession vest in the State Government.

(3) On the expiration of the period of supersession, as specified in the notification issued under sub-section (1), the State Government may—

- (a) extend the period of supersession for such further term as it may consider necessary, or
- (b) reconstitute the Corporation or the Board in the manner provided in this Act for establishing the Corporation or a Board.

(Sections 33-35.)

Liquidation
of the
Corporation.

33. No provision of any law relating to the winding up of companies or corporations shall apply to the Corporation and the Corporation shall not be placed in liquidation save by order of the State Government and save in such manner as may be directed by the State Government.

Act to
override
other laws.
Delegation
of powers
and duties
of the State
Government
and of the
local bodies
in connection
with schemes
undertaken
by
Corporation.

34. The provisions of this Act shall have effect notwithstanding anything to the contrary contained in any other law for the time being in force, and the State Government may delegate to the Corporation such of its powers or duties, or vest it with such powers and duties exercisable by local bodies, under any local or special law, in connection with the execution of schemes undertaken by the Corporation, as the State Government thinks fit.

Rules.

35. (1) The State Government may, by notification in the *Official Gazette*, make rules¹ to give effect to the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely,—

- (a) the conditions and manner of appointment of members of the Corporation, the representation in the Corporation of the State Government and where shares are issued to other parties under section 19 or section 20, the representation of such share-holders and generally all matters relating to the constitution of the Corporation;
- (b) the remuneration, allowance or fees to be paid to the members of the Corporation;
- (c) the term of office of members of the Corporation and the manner of filling casual vacancies among such members;
- (d) the number of the members necessary to constitute a quorum at a meeting of the Corporation;
- (e) the conditions of appointment and service and the scales of pay of the Administrative Officer and the Chief Accounts Officer;
- (f) the manner in which the shares of the Corporation shall be allotted, transferred or redeemed;

¹For rules made in exercise of the power conferred by this section and called the West Bengal Development Corporation Rules, 1956, see Notification No. 6992/2A-23/55, dated the 9th August, 1956, published in the *Calcutta Gazette*, dated the 23rd August, 1956, Part I, pages 3225-3234 as subsequently amended from time to time.

XIV of 1955.]

(Section 36.)

- (g) the manner in which the net profits of the Corporation shall be utilised;
- (h) the date by which and the form in which the budget shall be prepared and submitted in each year and the limits and conditions under which the Corporation may incur expenditure in excess of the limit provided in the budget under section 28;
- (i) the form and the manner in which the accounts of the Corporation shall be maintained;
- (j) the time at which and the manner in which the accounts of the Corporation shall be audited;
- (k) the form in which returns, statistics and reports shall be submitted under section 31;
- (l) any other matter which has to be or may be prescribed.

36. (1) The Corporation may, with the previous sanction of the State Government, make regulations not inconsistent with this Act and the rules made thereunder for the administration of the affairs of the Corporation.

Regulations.

(2) In particular and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely,—

- (a) the time and place of meetings of the Corporation and the procedure to be followed in regard to transaction of business at such meetings;
 - (b) the conditions of appointment and service and the scales of pay of officers and servants of the Corporation other than the Administrative Officer and the Chief Accounts Officer.
-