

THE BALOCHISTAN UNDESIRABLE COMPANIES
ORDINANCE, 1959

(W.P. Ord. XXII of 1959)

CONTENTS

SECTIONS

Preamble.

1. Short title and extent.
2. Definitions.
3. Registration of undesirable companies prohibited.
4. Existing undesirable Companies to cease functioning.
5. Deposit of cash and preservation of assets, etc.
6. Statement of assets, etc., to be submitted to registrar.
7. Winding up undesirable Companies.
8. Dissolution of undesirable Companies.
9. Power to call for certain information, etc.

10. Offences to be cognizable.

11. Cognizance by court with the consent of registrar.

12. Power to make rules.

'THE ?[BALOCHISTAN?] UNDESIRABLE COMPANIES
ORDINANCE, 1959

(W.P. Ord. XXII of 1959)

[22 April, 1959]

An Ordinance to prohibit the registration of companies for carrying on business for certain undesirable purposes and to provide for the winding up and dissolution of such companies.

Preamble. WHEREAS it is expedient to prohibit the registration of companies for carrying on business for certain undesirable purposes and to provide for the winding up and dissolution of such companies;

NOW, THEREFORE, in pursuance of the Presidential Proclamation of the seventh day of October, 1958, and in exercise of all powers enabling him in that behalf, the Governor of West Pakistan is pleased to make and promulgate the following Ordinance:—

Short title and 1. (1) This Ordinance may be called the *[Balochistan] extent. Undesirable Companies Ordinance, 1959.

4[(2) It extends to the whole of the Province of [Balochistan], except the Tribal Areas.]

Definitions. 2. In this Ordinance, unless the context otherwise requires, the following expressions shall have the meaning hereby respectively assigned to them, that is to say—

(a) "registrar" means—

(i) in the case of a company, the registrar appointed under section 248 of the Companies Act, 1913, and

(ii) in any other case, an officer appointed as such for purposes of this Ordinance;

(b) "specified purposes" means the promotion or the

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This Ord. was promulgated by the Governor of W.P. on 20" April, 1959; published in the W.P. Gazette (Extraordinary), dated 2 1959, pages 339-43; saved and given permanent effect by Article 225 of the Constitution of the Islamic Republic of Pakistan (Subs. by Baln. A.O. of 1975, for "West Pakistan".

Spelling of the word "Baluchistan", wherever it appears in this Ordinance, is corrected by insertion of letter "o" instead of "u", a Government of Balochistan, S&GAD's Notification No. SORI (4) 6/ S&GAD-89, dated 18" June, 1989.

Subs. by W.P. Ord. VII of 1964.

ie. Act VII of 1913. Repeal by Federal Ord. XLVII of 1984, for repeal see Section 508 and 7" Schedule.

Registration of
undesirable
companies
prohibited.

Rwn pe

ie. Act V of 1938.

carrying on of any scheme or business except the business authorised and carried on under the provisions of the Insurance Act, 1938', by whatever name called, whereby, in return for a deposit or contribution, whether periodically or otherwise, of a sum of money in cash or by means of coupons, certificates, tickets or other documents, payment, at future date or dates or money or grant of property, right or benefit, directly or indirectly, and whether with or without any other right or benefit, determined by chance or lottery or any other like manner, is assured or promised;

(c) "undesirable company" means a company which, with objects and business confined to the Province of *[Balochistan], is registered under the 'Companies Act, 1913, and carries on business for a specified purpose or for purposes which, among others, include a specified purpose and includes a company, association or other body of individuals which carries on business for a specified purpose or for purposes which, among others, include a specified purpose.

(2) Any expression used but not defined in this Ordinance and defined in the 'Companies Act, 1913, shall have the meanings assigned to it in that Act.

3. () Notwithstanding anything in the *Companies Act, 1913, or in any other law for the time being in force, no association or other body of individuals which, with objects and business confined to the Province of *[Balochistan], carries or intends to carry on business for a specified purpose or for purposes which, among others, include a specified purpose, shall on and after the commencement of this Ordinance, be registered under the 'Companies Act, 1913.

(2) Registration in contravention of sub-section (1) shall be void.

(3) Notwithstanding anything contained in any other

law for the time being in force, no company, association or

Subs. by Baln. A.O. of 1975, for "West Pakistan".

ie. Act VII of 1913. Repeal by Federal Ord. XLVII of 1984, for repeal see Section 508 and 7" Schedule.

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other body of individuals, with objects and business confined to the Province of *[Balochistan], shall carry on, or shall be formed to carry on, business for a specified purpose or for purposes which, among others, include a specified purpose.

(4) Any person who forms or associates himself in the formation of a company, association or other body of individuals in contravention of sub-section (3) and every officer or agent of a company, association or other body of individuals which carries on business in contravention of the said sub-section shall be punished with imprisonment for a term which may extend to three years or with fine or with both.

Existing 4. qd) Every undesirable company existing undesirable immediately before the commencement of this Ordinance shall, Companies to on such commencement, cease to function and, notwithstanding functioning anything in the 'Companies Act, 1913 or in any other law for

: the time being in force, shall be wound up and dissolved in the manner provided in this Ordinance.

(2) Any transaction with an undesirable company or with any officer or agent acting for or on behalf of such company shall be void.

(3) Any officer or agent acting for or on behalf of any such company who, on or after commencement of this Ordinance, carries on or attempts to carry on the business of the company shall be punished with imprisonment for a term which may extend to three years or with fine or with both.

Deposit of cash and 5. qd) Any officer or agent acting for or on behalf of an preservation of undesirable company who has in his possession or under his assets, etc.

control any cash belonging to the company shall, immediately after the commencement of this Ordinance, deposit or cause to be deposited such cash with the company's bankers.

(2) Until such time as the official liquidator appointed under section 7 takes into his custody or under his control all the books, documents and assets of the company, including actionable claims to which the company is or appears to be entitled, every officer and agent acting for or on behalf of the company shall preserve all such books, documents, assets, property, effect and claims and shall be jointly and severally liable for any loss or damage.

(3) Any person who, with intent to evade the provisions of this Ordinance, conceals, destroys, mutilates or

Statement of assets,

etc., to be
submitted to
registrar.

Winding up
undesirable
Companies.

Dissolution of
undesirable
Companies.

Power to call for
certain
information,
etc.

1

defaces any books, documents, assets, property, effects or claims or knowingly allows such concealment, destruction, mutilation or defacement to be caused, shall, without prejudice to any liability to which he may be subject under sub-section (2), be punished with imprisonment for a term which may extend to three years or with fine or with both.

6 (1)

Ordinance, or within such period as the registrar may allow, the

Within three days of the commencement of this

manager of an undesirable company shall submit to the registrar a statement showing the assets and liabilities of the company.

(2) Any one who contravenes the provisions of sub-section (1) shall be punished with imprisonment for a term which may extend to one year or with fine or with both.

7 6)

submitted under sub-section (1) of section 6, the registrar shall

As soon as may be after receipt of the statement

make a petition to the court for winding up the company, and thereupon the court shall make an order for the winding up of the company and shall appoint an official liquidator for such winding up.

(2) After the official liquidator has been appointed under this section, the provisions of the 'Companies Act, 1913, relating to the winding up by court of a registered company shall mutatis mutandis apply in relation to the winding up of the company in respect of which the petition has been made under sub-section (1).

8. When the affairs of an undesirable company have been completely wound up, the company shall be deemed to have been dissolved under sub-section (1) of section 194 of the 'Companies Act 1913.

9 (1)

company is an undesirable company or that an undesirable

Where the registrar has reason to believe that a

company is carrying on business in contravention of section 4, he or any gazetted officer authorised by him in this behalf,

may—

(a) direct any person to give such information in his possession with respect to any business carried on by that company as he may

ie. Act VII of 1913. Repeal by Federal Ord. XLVII of 1984, for repeal see Section 508 and 7" Schedule.

Offences to be
cognizable.

Cognizance by
court with the
consent of
registrar.

Power to make
rules.

1

ie. Act V of 1898.

demand;

(b) inspect or cause to be inspected any book
or other document belonging to or
under the control of the company or any
officer thereof;

(c) enter and search any premises and seize
or authorise any person to seize any book
or other document belonging to or
under the control of the company or any
officer thereof.

(2) If the registrar is satisfied that a company is an
undesirable company or that an undesirable company is
carrying on business in contravention of section 4, he shall by
order in writing, direct the manager of the company to hand
over the management of the company to a person to be
appointed by the registrar for the purpose, and the manager
shall forthwith hand over the management of the company to
such person.

(3) The person to whom management is handed over
in pursuance of sub-section (2) shall be deemed to be the
manager of the company, and the other provisions of this
Ordinance shall apply accordingly.

(4) Whoever fails to comply with any direction
given under sub-section (1) or sub-section (2) shall be punished
with imprisonment for a term which may extend to six months
or with fine or with both.

10. Notwithstanding anything contained in the Code of
Criminal Procedure, 1898', any offence under this Ordinance
shall be cognizable.

11. No court shall take cognizance of any offence under this Ordinance except with the previous consent in writing of the registrar.

12. The Provincial Government may make rules to carry out the purposes of this Ordinance, and such rules may provide that the breach of any of them shall be punishable with imprisonment for a term not exceeding three months or with fine not exceeding one thousand rupees.

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