

The Undesirable Companies (Second) Ordinance, 1958 (East Pakistan Ordinance)

(Ordinance NO. XLIX OF 1958)

¹♣ WHEREAS by a Proclamation dated the 25th June, 1958 under Article 193 of the Constitution of the Islamic Republic of Pakistan, the President has assumed to himself all the powers vested in, or exercisable by, the Governor of East Pakistan;

AND WHEREAS the President has, in pursuance of sub-clause (i) of clause (c) of the said Proclamation, been pleased to direct by notification No. 22/11/58-Poll. (I), dated the 4th July, 1958 published in the Extraordinary Gazette of Pakistan, dated the 4th July, 1958 that the power vested in, or exercisable by, the Governor under the Constitution shall be exercisable by the Governor;

AND WHEREAS it is expedient to prohibit the registration of companies for carrying on business in East Pakistan for certain undesirable purposes and for the winding up and dissolution of such companies;

AND WHEREAS the National Assembly is not in session and the Governor is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by Article 102 of the Constitution of the Islamic Republic of Pakistan and of all other powers enabling him in that behalf, the Governor is pleased to make and promulgate the following Ordinance, namely:-

Short title, extent and commencement

1. (1) This Ordinance may be called the ²[* * *] Undesirable Companies (Second) Ordinance, 1958.

(2) It extends to the whole of ³[Bangladesh].

(3) It shall come into force at once.

Definitions

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

(a) “specified purpose” means the promotion or the carrying on of any scheme or business (except the business authorised and carried on under

the provisions of the Insurance Act, 1938) howsoever described or called, whereby, in consideration 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, a payment of money or grant of property, right or benefit, directly or indirectly, and whether with or without any other right or benefit, to be determined by chance or lottery or any other like manner of the nature of a wager, is assured or promised to be made at a future date;

(b) “undesirable company” means a company which ⁴[* * *] is registered under the Companies Act, 1994 (Act No. 18 of 1994), and carries on business for a specified purpose or for purposes which include or are calculated to include a specified purpose; and

(c) all other words and expressions have the same meanings as assigned to them under the Companies Act, 1994 (Act No. 18 of 1994).

Registration of undesirable companies prohibited

3. (1) Notwithstanding anything in the Companies Act, 1994 (Act No. 18 of 1994), or in any other law for the time being in force, no association or other body of individuals which ⁵[* * *] carries or intends to carry on business for a specified purpose or for purposes which include or are calculated to include a specified purpose, shall, on and after the commencement of this Ordinance, be registered under the Companies Act, 1994 (Act No. 18 of 1994).

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

Existing undesirable companies to cease functioning

4. (1) Every undesirable company existing immediately before the commencement of this Ordinance shall, on such commencement, cease to function and, notwithstanding anything in the Companies Act, 1994 (Act No. 18 of 1994), 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 the commencement of this Ordinance, carried on or, attempts to carry on the business of the company shall be punishable with imprisonment for a term which may extend to three years or with fine or with both.

Deposit of cash and preservation of assets, etc.

5. (1) Any officer or agent acting for or on behalf of an undesirable company who has in his possession or under his 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, effects 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 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 punishable with imprisonment for a term which may extend to three years or with fine or with both.

Statement of assets, etc., to be submitted to Registrar

6. (1) Within three days of the commencement of this Ordinance, or within such period as the Registrar may allow, the 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 punishable with imprisonment for a term which may extend to one year or with fine or with both.