Date: Day:

Name: M-Talha Arif
Roll No: F23-1018
Semester: 6th (A)
Department: B-A LLB
Assignment: Law of Business Organization
Submitted To: Sir Irfan kashfeet

Topic: Winding up of a company

Introduction:

Winding up of a company is the legel process through which a company's life is brought to an end. During this process the company assets are collected, liabilities are settled and any remaining surplus is distributed among the shareholders. Upon completion, the company is dissolved

ZUNAIR NOTES

CamScanner

Date: _____ Day: _____

and ceases to exist as legel entity.

Definition:

Winding up refers to the process of closing a company's operation by realization its assests paying off debts and distributing the remaining assets among its members in accordance with law.

Modes of Winding Up:

A company may be wound up in the following ways:

(a) Compulsory Winding up:

This occurs when the court orders the winding up of a company on specific legel grounds.

(b) Voluntary Winding up:

This takes place when the company itself decides to wind up its affairs.

It includes:

- **Members Voluntary**

ZUNAIR NOTES

CamScanner

Date: _____ Day: _____

Winding up:

- The company is solvent.
- Directors make a declaration of solvency.
- Creditors are paid in full
- Control remains with members

Creditors' Voluntary Winding up:

- The company is insolvent
- Creditors have a major role
- A meeting of creditors is held.
- Creditors may appoints the liquidator.

Winding up under court supervision:

- It begains as voluntary winding up.
- The court supevises the process.
- Ensures fairness and legality.
- Court may appoint or remove liquidator.

ZUNAIR NOTES

CamScanner

Date: _____ Day: _____

Grounds of Winding up by court:

A court may order the winding up of a company under following circumstances:

- The company is unable to pay its debts.
- The company has passed the special resolution for winding up.
- The company has not commenced business within one year.
- The number of members falls below the statutory minimum.
- The company is encouraged in unlawful
- It is just and equitable to windup the company.

Procedure of Winding Up:

The procedure generally involues the following steps:

- Filling of a petition before the competent court.
- ~~Issu~~ Issuance of notice and hearing

CamScanner

Day:

of the case.

- Appointment of an official liquidator.
- Submission of statement of affairs by directors
- Collection and realization of company assets
- Settlement of liabilities and payment to creditors.
- Distribution of surplus among shareholders.
- Final dissolution of the company.

Role of Liquidator:

The liquidator plays a central role in the winding-up process. His duties include:

- Taking custody and control of company assets.
- Conducting investigations into company affairs
- Realizing assets through sale
- Settling claims of creditors
- Distributing remaining funds among members.
- Ensuring compliance with legal requirements.

Consequences of Winding up:

ZUNAIR NOTES

CamScanner

Date: _____ Day: _____

- The company ceases to carry on business except for beneficial winding up.
- Power of directors are terminated.
- Employment contracts may be terminated.
- Legel proceedings may be stayed or continued with permission.
- The company ultimately ceases to exist after dissolution.

Conclusion:

Winding up is an essential legel mechanism that ensures the orderly and lawful closure of a company. Under the companies Act, 2017, it protects the interests of creditors shareholders and other stakeholders. Proper adherence to legel procedures ensures transparency, fairness and accountability in the dissolution process.

ZUNAIR NOTES

CamScanner

Date: _____ Day: _____

Topic : Meeting of the company , resolution

Introduction:

A company is a separate legel entity, but it cannot act on its own. It functions through human agencies like directors and shareholders. The most important of decision-making in a company is through meetings. In meetings, members or directors come together to discuss and decide company matters in an organized and legel way.

Meaning of Meeting:

A meeting is a formal gathering of members or directors of a company matters and take decisions.

A meeting is not just a casual gathering; it must follow legel procedures such as notice, quorum

ZUNAIR NOTES

CamScanner

Date: Day:

agenda and proper recording of decisions.

Purpose of Company Meetings:

Company meetings are held for several important reasons:

- To make important business decisions.
- To approve financial statements and accounts
- To appoint or remove directors and auditors
- To declare dividends.
- To discuss company policies and future plans.
- To ensure accountability and transparency.

Types of Company Meetings:

(a) General Meetings of

ZUNAIR NOTES

CamScanner

Date: Day:

Shareholders:

These meetings involve shareholders (owners of the company).

(1) Annual General Meeting:

The AGM is the most important mandatory meeting of a company.

Features:

- Held once every year
  Must be held within a specific time period after the financial year ends.
  Every company must conduct it (except some exceptions under law)

Business conduct in AGM:

- Approvals of annual financial statement
- Declaration of dividend
- Appointment / reappointment of Directors
- Appointment of auditors.
- Discussion of company

ZUNAIR NOTES

CamScanner

Day:

performance.

(2) Extraordinary General Meeting:

An EGM is held when urgent or special matters arise that cannot wait for the next AGM.

Features:

- Can be called anytime during the year.
- Deals with urgent matters only.
- Can be called by board of directors or shareholders.

Example of matters

- Change in company name
- Removal of directors
- Alteration of Articles of Association
- Important financial or structural decisions

CamScanner

Date: _____ Day: _____

(b) Board Meeting:

Meeting of directors
Held to manage daily business of the company.
Only directors participate

Function:

- Business planing and strategy.
- Approvals of contracts
- Financial decision
- Management of company operation

(c) Class Meeting:

A class meeting is held for a specific strategy of shareholder only.

Example:

Preference shareholders meeting
Equity shareholders meeting

Purpose:

To discuss rights or changes affecting that particular class.

ZUNAIR NOTES

CamScanner

Date: Day:

(3) Statutory Meeting:

In some legel systems this meeting is required after incorporation of company.

Purpose:

To inform shareholders about company formation.

To present initial reports.

Essential of a valid Meeting:

Proper Notice: Members must be informed in aduance.

Quorum: Minimum number of members must be present.

Chairman: A person who conducts the meeting.

Agend: Matters to discussed should be clear.

Minute's: Record of meeting must be ~~maintied~~ maintained.

maintained.

ZUNAIR NOTES

CamScanner

Date: Day:

Importance:

Helps in collective decision-making
Ensures transparency
Protects rights of shareholders
Gives legel validity to company actions.

Conclusion:

Meetings are very important for a company because all major decisions are taken in meetings Without meetings a company cannot function properly.

ZUNAIR NOTES

CamScanner

Day:

Resolution:

A company resolution is a formal decision made by the member (shareholder) or directors of a company. It is passed during a meeting and recorded in the official minutes. Resolution are essentials for the proper management and legel functioning of a company.

Types:

(1) Ordinary Resolution:

An ordinary resolution is passed when more than 50% of the members present vote in favor of it.

Example:

Appointment of directors

Approval of annual accounts.

(2) Special Resolution:

A special resolution requires a higher majority. It is passed when at least 75% of the members

CamScanner

vote in favor.

Example:

- Change in company name
- Alteration of memorandum or articles
- Winding up of a company.

(3) Resolution by circulation:

The type of resolution is passed without a meeting. Instead, it is circulated among directors or members for approval.

Examples:

- Urgent business decisions
- Minor administrative matters

Key Features:

- Must be passed in a proper meeting
- Requires quorum.
- Voting can be done by show of hands
- Must be recorded in minutes
- Some resolutions must be filed with authorities. (like SECP in Pakistan).

CamScanner

Day:

Importance of Company Resolution:

- Provide legel authority to company decisions.
- Ensure transparency and accountability.
- Help in proper governance.
- Protect rights of shareholders and directors.

Conclusion:

Company resolutions are the backbone of decision-making in a company. Whether ordinary or special, they ensure that all important decisions are taken legally and with the consent of members.

ZUNAIR NOTES

CamScanner