Name M. Usman

Roll No F23-1020

Subject Business Organization

Submitted to Sir Arfan Kashfeet

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Winding of a company (Definition & Explanation)

Winding up of a company refers to the legal process by which a company brought to an end, its opperation are stoppled, its liabilities are paid off. After settling all debts and obligations, any remaining assests and distributed among the shareholders, and the company is dissolved.

Objectives of Winding up:

To close down the business in an orderly manner.
To pay off creditors and liabilities.
To distribute remaining assets

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among shareholders.
To legally dissolve the company

Types of Winding up:

There are mainly three types of winding up:

1- Compulsory Winding up (Winding up by court)

This type of winding up is ordered by the court when a company is unable to continue its business properly.

Reason of compulsory winding up:

The company is unable to pay its debts.
The company acts against the

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law or public interest.
Deadlock in management.
Failure to company with legal requirements.

Features:

Initiated by creditors, shareholders, or government
Court appoints an official liquidator
The liquidator takes control of company affairs

2. Voluntary Winding up:

This occur when the company itself decides to wind up its operations without court intervation.

Types of voluntary Winding up:

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a) Member's voluntary winding up:
Declared when the company is solvent (able to pay its debts)
Director make a declaration of solvency
shareholders pass a resolution to wind up

b) Creditor's voluntary Winding up:
Occure when the company is insolvent (unable to pay debts)
Creditor has a major role in decision-making
liquidator is usually appointed by creditor

3- Winding up Under Supervision of court
This is a mixture of both

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compulsory and voluntary winding up.

Features :

The company starts voluntary winding up

The court Rules supervise the process

Court may appoint or replace the liquidator

Ensures fairness and legal compliance

Role of liquidator :

A liquidator is a person appointed to :

Take control of company assests

Sell assets and collect money

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pay of debts and liabilities
Distribute remaining funds among shareholders

Conclusion :

Winding up is an important process that ensures a company close in a systematic and fair manner. Whether done voluntarily or by court order, it protects the interest of creditors, shareholders, and the public.

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1. Meeting (Definition & Explanation)

A meeting is a formal gathering of the member (such as shareholders, director or manager) of a company to discuss matter and make decisions related to the business.

key points:

It is conducted according to rules (like company law or internal regulation).

Member discuss important issues such as performance, policies, or future plans.

Dicisions are usually made Through voting.

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Types of Meetings:

Annual general meeting (AGM): Held once a year to discuss yearly performance.

Extraordinary general meeting (EGM): called for urgent or special matters.

Board Meetings: Held by directors to manage daily operations.

purpose of Meetings:

To share information
To discuss business issues
To make decision collectively
To ensure transparency and accountability

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2- Resolution (Definition & Explanation)

A resolution is a formal decision or agreement passed by the member of a company during a members.

Key points:

It is proposed, discussed, and then voted on.

Once passed, discussed, and then it become and official decision of a company.

It is recorded inthe minutes of the meeting.

Types of Resolution:

1- Ordinary resolution:

passed by a simple majority (more than 50% votes).

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Used for routine matters (e.g. approval of accounts).

2- Special resolution:

Require a higher majority (usually 75% votes).

Used for important decision (e.g. changing company name).

Importance of Resolution:

They provide legal backing to decision.

Ensure that decision reflect the will of the majority.

Help in proper management and goverance of the company.

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