DATE

Meeting & Resolution

Company

An artificial person created by law, with its own name, that can own property, sue, be sued, & continue forever even if members change.

Company Meeting

A company meeting is when directors or shareholders officially sit together to discuss & decide company matters.

Nothing is "official" until it's decided in a proper meeting.

Main Types

1.. Board Meeting

DATE

Only directors attend. For daily running of company like approving loans, appointing staff, opening bank account. Must happen at least 4 times a year.

2. General Meeting

, Shareholders / owners attend.

• AGM (Annual General Meeting)

Once every year. Approve accounts, declare dividend, appoint auditors.

• EGM (Extraordinary General Meeting)

Called anytime for urgent/special work like changing company name, selling major asset.

DATE

Resolution

A resolution - the official decision taken in a meeting. Think of it as: "Meeting is the discussion, Resolution is the final decision written down."

Main Types

1.- Board Resolution

Passed by directors in Board Meeting
For internal matters.
Example: "Resolved that company will open a bank account at HBL."

2.- Ordinary Resolution

Passed by shareholders with > 50% votes. For normal matters.
Example: approve accounts, appoint directors.

Al-Kamal Notes

DATE

3.- Special Resolution

Needs 75% or more votes for big changes.

Example: change company name, change objectives, wind up company

How it Works

1.- **Notice:**
Tell members "meeting on this date, time, agenda."

2.- **Quorum:**
Minimum people must attend, else meeting invalid

3.- **Discussion-**
Talk on agenda points

4.- **Voting:**
Show of hands or poll.

5.- Resolution passed:
If enough votes, it becomes official.

6.- Minutes:
Write everything in company's minute book. Signed = legal Proof.

-: Bottom Line :-

Meeting = Where decision happens

Resolution = What was decided, written legally.

Without a proper resolution, Company can't legally do major work - banks, SECP, courts will ask for it.

Conclusion

Meetings are the "mouth" of a company - it can only speak through meetings. Resolutions are the "words" - the final legal decision that comes out of that mouth. No major step like taking loan, selling property, or changing directors is legal unless a proper meeting was held & resolution was passed + written in minutes.

DATE: _____

Winding Up of Company

Winding Up

Means legal process to close a company forever.
Company "dies", all assets are sold, debts are paid, defover money goes to shareholders, & name is removed from SECP.

Why Winding Up Happens

1.- Business failing, too much loss
2.- Purpose finished
3.- Shareholders fight, can't work togethe
4.- Illegal work by company
5.- Court orders it

:Kinds of Winding Up:-

1.- Members' Voluntary Winding Up

When - Company has No debts, or can pay all debts within 12 months.

Who starts : Shareholders decide in meeting

How :

1.- Directors make "Declaration of Solvency" = "Yes we can pay everyone."

2.- Shareholders pass Special Resolution 75% votes

3.- Appoint a Liquidator = person who sells everything & pays all.

4.- Liquidator sells assets → pays creditors - gives balance to shareholde
- applies to SECP - Company name struck off.

2.- Creditors' Voluntary Winding Up

When - Company HAS debts & cannot pay them fully.

DATE

Who starts:

Shareholders, but creditors control it.

How:

1.- Directors say "we are insolvent, can't pay debts."

2.- Shareholders pass Special Resolution

3.- Call creditors' meeting - creditors appoint Liquidator they trust

4.- Liquidator sells assets - pays creditors as much as possible - shareholders usually get nothing - SECP strikes off name.

3.- Compulsory Winding Up

When:

Court forces closure

DATE

Who starts:
Court, on request of SECP creditor, shareholder, or government

Main reasons Court will order

- Company not working after 1 year of registration
- Not holding AGMs
- Can't pay debts > Rs 100,000 & creditor complains
- Doing illegal / fraud work
- Court thinks it's "just & equitable" - like deadly fight between shareholders.
- How: Court appoints Official Liquidator - he takes over company - sells all - pays as per law - court

dissolves company

-: Conclusion :-

Winding Up is the legal process to permanently close a company. All company assets are sold & the money is used to pay debts first. Whatever remains is given to shareholders according to their shares. The whole process is handled by a liquidator under law.
Once complete, the register removes the company's name & it ceases to exist. So winding up ensures a fair & proper end, protecting both creditors & members.

Al-Kamal