

# **Corporate Law**

# What is Corporate Law?

- Law regulates :
  - Corporation
  - Shareholders
    - Investors
    - Directors
  - Employees
    - other

# Corporation

- Incorporated organisation
- Purpose
- Legal personality
- Transferable shares
- Shared ownership by contributors
- Centralized management

- Incorporated
- Corporate form of organisation set up through registration
  - Purpose

# Legal Personality

- Person in the eyes of Law
- Capable of entering in to contracts
  - Owns property
- Capable of suing and being sued

# Transferable shares

- Transfer with the approval of shareholders
  - To limited group
    - To public

# Shares and Shares Capital

# What is Share?

- Capital divided into shares
  - Unit of ownership
  - Raise capital
- Interest of the member in company
- Section 2 (84) 'share' means a share in the share capital of a company and includes stock.

# Kinds of Share

```
graph TD; A[Shares] --> B[Equity]; A --> C[Preference];
```

Shares

Equity

Preference

# Equity Share Capital

- Section 43 – Kinds of Share capital
- “equity share capital”, with reference to any company limited by shares, means all share capital which is not preference share capital.

# Rights

- Voting right
- Participate in management decisions
- Share earning/ profit