

IDIOMA INSTRUMENTAL II

Company Law

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Topics

Company Law

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A Company is a legal entity, allowed by legislation, which permits a group of people, as shareholders, to apply to the regulators for an independent organization to be created, which can then focus on pursuing set objectives, and empowered with legal rights which are usually only reserved for individuals, such as to sue and be sued, own property, hire employees or loan and borrow money.



Share Capital

funds that a company raises in exchange for issuing an ownership interest in the company in the form of shares.

Raise Capital

preferential allotment, employee stock option, issue of rights shares and issue of shares with differential voting rights

Buy – Back

is a corporate action in which a company buys back its shares from the existing shareholders usually at a price higher than market price.

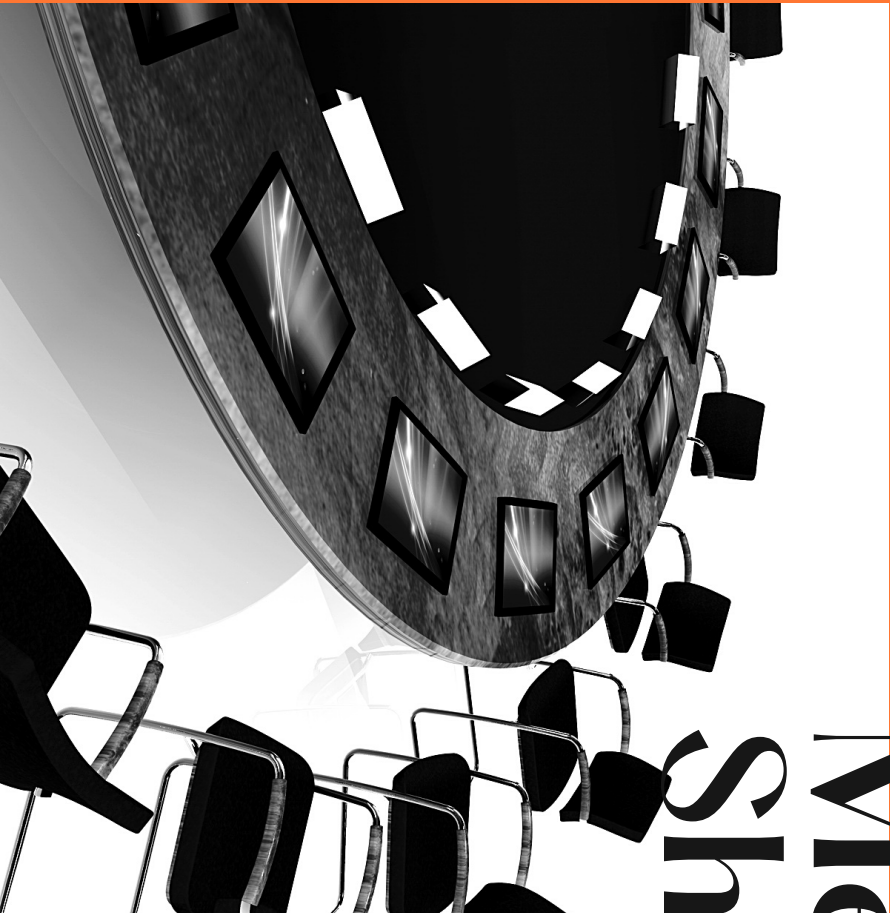
Reduction

Reduction of capital by a company is always subject to confirmation by the Tribunal on an application made by the company.

Shares

And Shares Capital

Members and Shareholders



The terms shareholders and members are commonly used as synonym

A person can become the holder of shares through transfer, but is not a member, until the transfer is entered in the register of members.



Debts Instruments

Debentures

The issue of debenture, in one side creates the obligation for the payment of interest at a fixed rate and in another side, it causes an increase in 'earning per share' due to comparatively less number of shares issued.

A charge is an interest or lien created on the property or assets of a company or any of its undertakings or both as security and includes a mortgage.

A charge is a right created by any person including a company referred to as "the borrower" on its assets and properties, present and future, in favour of a financial institution or a bank, referred to as "the lender", which has agreed to extend financial assistance.

Charges



Distribution of Profits

Profit

Divisible Profit

Profit or a portion of profit that can be legally distributed as a dividend to the shareholders

Company Secretary

is also an investor relation officer of the company, he acts as a bridge between the shareholder and company management.

Thanks!

I wish you a pleasant
vacation time

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