

Chart of Difference between Equity Share and Preference share

Basis of Difference	Equity Share	Preference Share
Meaning	Equity share has no preferential right of receiving dividend and repayment of capital.	Preference share has the preferential right of receiving dividend and repayment of capital.
Payment of Dividend	The dividend on equity share is paid after the payment of dividend on preference shares.	The dividend on preference share is paid Before the payment of dividend on equity shares.
Rate of Dividend	Rate of dividend is not fixed.	Rate of dividend is fixed before issued.
Convertibility	It can not be converted.	It may be converted to equity share if the terms are provided Before issue.
Buy Back	It can be buyback.	It can not be buyback.
Redemption	It can not be redeemed	It can be redeemed as per terms in the prospectus.
Voting Rights	Equity Shareholders have the rights to vote for any decision in all types of circumstances.	Preference Shareholders have the rights to vote only in specific/special circumstances.
Participation in the Management	Equity shareholders have the right to participate in the management of the business.	Preference shareholders have no right to participate in the management of the business.