DEBENTURE

Meaning: A debenture is a long-term debt security issued by a company, representing a loan made by an investor with fixed interest payments and no collateral.

1. A debenture is a type of debt instrument that companies use to borrow money.

2. Investors often view debentures as a safer alternative to stocks due to their fixed interest payments.

3. The company issued debentures to raise capital for its expansion projects without diluting equity.

4. In the event of liquidation, debenture holders are ranked higher than shareholders when it comes to asset distribution.

5. Many individuals prefer investing in debentures for their reliable returns and lower risk profile.
