

## Chart of Difference between debenture and Equity Share

Basis of Difference	Debenture	Equity Share
<b>Meaning</b>	The Debenture is the type of loan or debt instrument which is issued in the market to subscribe to the public.	The shares capital which are carrying voting rights, rights to dividends, and ownership known as Equity shares.
<b>Types</b>	It is a type of loan.	It is a type of Capital.
<b>Rate of Return</b>	It has a fixed rate of Return which is known as Interest.	It has a fluctuating rate of return depends on the profit of the year and which is known as a Dividend.
<b>Secured</b>	It <b>may or may not</b> be secured against the assets.	it is not secured
<b>Voting Rights</b>	It does not have voting rights.	It does have voting rights.
<b>Convertibility</b>	It can be convertible after maturity into an Equity share.	It can not be convertible.
<b>Risk</b>	Debenture holders are relatively safe.	Shareholders are at a greater risk.
<b>Repayment</b>	will be repaid after a specific period.	it will not be repaid through the whole life of the business.
<b>Priority as to Repayment</b>	In the case of winding up of the company the payment made to debenture holders before the payment of made to equity shareholders.	In the case of winding up of the company the payment of made to equity shareholders at the end.