



Compulsory Convertible Debentures

Source: [PIB](#)

The [Competition Commission of India \(CCI\)](#) has approved subscription to **Compulsory Convertible Debentures (CCDs)** of Napino Auto and Electronics Limited by [International Finance Corporation \(IFC\)](#).

- A **Compulsory Convertible Debenture** is a [Bond](#) that must be converted into [Equity](#) at its maturity date or when certain events occur. It is a mix of debt and equity features
 - Here conversion is mandatory, unlike in the case of [optional convertible debentures](#) where the investor has the choice to convert.
- CCDs are often used by [startups](#) and growth-stage companies that are not yet ready to give up [equity](#) but need [capital](#) for growth.
- [IFC](#) is an international organisation, established in **1956** to further **economic growth** in its developing member countries by promoting [private sector development](#).
 - It is a member of the [World Bank Group](#).
- [CCI](#) is a **statutory body** of the Government of India responsible for enforcing the **Competition Act, 2002**, it was duly constituted in March 2009.

Read More: [Competition Commission of India \(CCI\)](#)

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