भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

# CONSULTATION PAPER

## DEPARTMENT OF DEBT AND HYBRID SECURITIES

***Review of provisions related to ISIN for Debt Securities***

**August 10, 2026**

भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

## Timeline to Respond

**Comments on the Consultation paper may be sent by August 31, 2026**

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1. **Objective and Background:**

1.1. Chapter VIII of SEBI Master Circular for Issue and Listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated October 15, 2025 ("NCS Master Circular"), inter alia, specifies the maximum number of ISINs that shall be allowed to mature in any financial year for an issuer of debt securities, in respect of private placement of debt securities. The said restriction was introduced in order to reduce fragmentation in the primary market and enhance liquidity in the secondary market.

1.2. SEBI had constituted a Working Group on matters pertaining to OBPPs, RFQ platform and other related issues ("WG"). Pursuant to the recommendations of the WG and other stakeholders, and deliberations in the Corporate Bonds and Securitization Advisory Committee (CoBoSAC) of SEBI, detailed proposals for changes in the provisions related to ISIN for privately placed debt securities are outlined in the ensuing paras of this consultation paper.

2. **Extant Regulatory Provisions:**

2.1. Clause 1 of Chapter VIII of the NCS Master Circular specifies the following:

***"1. In respect of private placement of debt securities, the following shall be complied with regard to ISINs, utilised to issue debt securities from April 1, 2023:***

*1.1 A maximum number of fourteen ISINs maturing in any financial year shall be allowed for an issuer of debt securities. In addition, a further six ISINs shall also be available for the issuance of the capital gains tax debt securities by the authorized issuers under section 54EC of the Income Tax Act, 1961 on private placement basis.*

*1.2 Out of the fourteen ISINs maturing in a financial year, the bifurcation of ISINs shall be as under:*

*a. A maximum of nine ISINs maturing per financial year shall be allowed for plain vanilla debt securities. Within this limit of nine ISINs, the issuer can issue both secured and unsecured debt securities.*

*Provided where the total outstanding amount across the nine ISINs, maturing in a given financial year, reaches Rs. 15,000 crore, then three additional ISINs would be permitted to mature in the same financial year. The same should be intimated by the issuer to the stock exchanges and depositories.*

*b. A maximum of five ISINs maturing per financial year shall be allowed for structured debt securities and market linked debt securities.*

*1.3 Where an issuer issues only structured/ market linked debt securities, the maximum number of ISINs allowed to mature in a financial year shall be nine.*

*….*
*….”*

2.2. Regulation 62A of SEBI ((Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") provides the following:

**"Listing of subsequent issuances of non-convertible debt securities**

*(1) A listed entity, whose non-convertible debt securities are listed shall list all non-convertible debt securities, proposed to be issued on or after January 1, 2024, on the stock exchange(s).*

*(2) A listed entity, whose subsequent issues of unlisted non-convertible debt securities made on or before December 31, 2023 are outstanding on the said date, may list such securities, on the stock exchange(s).*

*(3) A listed entity that proposes to list the non-convertible debt securities on the stock exchange(s) on or after January 1, 2024, shall list all outstanding unlisted non-convertible debt securities previously issued on or after January 1, 2024, on the stock exchange(s) within three months from the date of the listing of the non-convertible debt securities proposed to be listed.*

*….*
*….”*

3. **Need for review:**

3.1. **Proposals related to allowing additional ISINs to mature in a financial year:**

i. SEBI has received representations from market participants and other stakeholders, seeking a review of the existing ISIN limits. The representations state that the current limits may affect the funding requirements of Non-Banking Financial Companies (NBFCs). It has been highlighted that the current limit on the number of ISINs may lead to bunching of liabilities which can create difficulties in liquidity management and increase refinancing risk, severely impacting the Asset Liability Management (ALM) for NBFCs.

ii. Further, under the SEBI framework for “Fund raising by issuance of debt securities by large corporate”, “Large Corporate” issuers (i.e. rated AA or higher and having outstanding long term borrowings of Rs.1000 crore or above) are required to raise not less than 25% of their qualified borrowings by way of issuance of debt securities. The restriction on number of ISINs may be an impediment in fulfilling these regulatory obligations.

iii. Market participants have also sought clarification on the types of securities that may be included under the category “structured debt securities” for the purpose of complying with the specified ISIN limits.

3.2. **Proposal related to amending the requirement to list all outstanding unlisted debt securities by a listed entity, in terms of Regulation 62A of LODR Regulations:**

i. The requirement to list all outstanding unlisted non-convertible debt securities of a listed entity was introduced in September 2023 and made effective from January 2024. This provision has created a consequence where an unlisted company which wants to get listed today, is required to get all its earlier outstanding debt issuances post January 2024 to also be listed. While grandfathering was provided for listed issuers at that point in time, there was no grandfathering for new issuers who may list their debt issuances in the distant future. It is gathered that this has resulted in discouraging new issuers from listing debt since the same entails significant cost for already subscribed issues and also causes various operational challenges in terms of ISIN limits, covenant monitoring system, etc.

ii. Based on the analysis of quarterly data on issuance of unlisted vis-à-vis listed debt securities, it is observed that the amount of listed debt issuance as a percentage of the total debt issuance (i.e. listed and unlisted) has declined from 80.81% (as on September 30, 2023 – when the requirement under Regulation 62A was introduced) to 76.55% (as on June 30, 2026). From the data it appears that a possible reason for reduction in listing could be the mandatory requirement to get past issues listed.

iii. Therefore, to encourage listing of debt securities, the said requirement to list all outstanding unlisted non-convertible debt securities by issuers may be removed and it may be left to the discretion of the issuer to list prior issues. However, requirement for listing of all subsequent debt securities issuances, post first time listing of debt securities, shall continue to apply.

## 4. Proposals:

### 4.1. Proposals related to allowing additional ISINs to mature in a financial year:

i. The maximum number of ISINs maturing per financial year may be increased to 17, with the following bifurcation:
   - A maximum of 12 ISINs for plain vanilla debt securities *(i.e. 3 additional ISINs)*
   - A maximum of 5 ISINs for structured debt securities, market linked debt securities, Floating Rate Bonds (FRBs), Zero Coupon Bonds (ZCBs) and Debt Capital instruments (Tier II bonds).

Consequentially, where an issuer issues only structured/ market linked debt securities/ FRBs/ ZCBs/ Debt Capital instruments, the maximum number of ISINs allowed to mature in a financial year may be increased to 12 (from the current 9).

*[**Rationale**: Increasing the permitted number of ISINs to 12 for plain vanilla debt securities eliminates the structural gap caused by 9 ISINs distributed over 12 calendar months and enables issuer to smoothly distribute debt redemptions across each month and, therefore, achieve cash-flow matching with underlying monthly assets. Further, since FRBs, ZCBs and Debt Capital instruments (Tier II bonds) are different from plain vanilla debt, they may be clubbed under the 5 ISIN limit currently applicable to structured debt securities and market linked debt securities.]*

ii. Where the total outstanding amount across the 12 ISINs maturing in a given financial year reaches Rs. 15,000 Crore, then for each additional issuance of Rs. 3000 Crore, 1 additional ISIN may be permitted to mature in the same financial year.

**Illustration:**

If the total outstanding amount of non-convertible debt securities of an issuer (plain vanilla debt securities) maturing in a financial year reaches Rs. 15,000 Crore, 1 additional ISIN is unlocked for the issuer. Thereafter, for every incremental threshold of Rs. 3,000 Crore outstanding beyond the initial Rs. 15,000 Crore, one supplementary ISIN shall subsequently be unlocked. The table below illustrates the applicability of the aforementioned provisions:

| Outstanding amount maturing in a financial year (in Rs. Crore) | Applicable ISIN limit |
|---|---|
| 1-15000 | 12 |
| 15001-18000 | 13 |
| 18001-21000 | 14 |
| For every incremental 3000 | +1 |

*[**Rationale**: A tiered structure allows for conditional unlocking for large issuances and may help such large issuers to space out their redemption windows across the financial calendar without fragmenting the market.]*

iii. ISINs pertaining to Government of India (GoI) serviced/ Extra Budgetary Resources (EBR) bonds may be excluded while computing the applicable ISIN limits.

*[**Rationale**: Since PSUs frequently issue EBR bonds on behalf of GoI, the prescribed ISIN caps constrain their ability to issue bonds for their own funding requirements. Therefore, exclusion of GoI/ EBR bonds from the prescribed ISIN caps would provide PSUs with adequate number of ISINs for their financing needs.]*

iv. ISINs pertaining to ESG debt securities may not be counted towards the maximum number of ISINs permitted to mature in a financial year, to encourage issuance of ESG debt securities.

*[**Rationale**: Exclusion of ESG debt securities from the prescribed ISIN caps is aimed at encouraging issuance of ESG debt securities, while considering the specific objectives (environmental, social and sustainability-related) for issuance of such securities.]*

**Consultation 1: Proposals related to allowing additional ISINs to mature in a financial year**

Are the 4 proposals mentioned at para 4.1 above appropriate and adequate?

**Enclosure:**

Draft Circular titled "Review of provisions related to International Securities Identification Number (ISIN) for debt securities issued on private placement basis" is placed at **Annexure A**.

4.2. **Proposal related to amending the requirement to list all outstanding unlisted debt securities by a listed entity, in terms of Regulation 62A of LODR Regulations:**

i. It is proposed to dispense with the requirement of listing of all outstanding unlisted non-convertible debt securities, issued on or after 01 January 2024, by an issuer who proposes to list a non-convertible debt security.

*[**Rationale**: Considering the significant cost and operational challenges involved in listing of already subscribed outstanding issues by a new issuer, dispensing with the said requirement shall encourage listing of debt securities.]*

ii. The impact of the proposed amendment, vis-à-vis the extant provisions related to listing of subsequent issuances of non-convertible debt securities under Regulation 62A of the LODR Regulations, is illustrated in the table below:

| Parameter | Extant Provision | Proposed Provision |
|---|---|---|
| **Mandatory Listing Trigger** | Any new NCD issuance on or after **January 1, 2024** by a listed debt entity. | Any new NCD issuance proposed on or after the **date of first debt listing**. |
| **Treatment of Past Issuances** | **Mandatory Clean-up:** Must list all outstanding unlisted NCDs (issued after Jan 1, 2024) within 3 months of first listing. | **Complete Exemption:** Permanent grandfathering of all outstanding unlisted NCDs issued prior to the initial listing date. |
| **Grandfathering Cut-off** | Fixed calendar date (on or before **December 31, 2023**). | Dynamic event date (**Prior to the initial listing date**). |
| **Applicability to Legacy Issuers** | A single uniform framework applies to all entities regardless of when they listed. | **Dual-track system:** Entities listed prior to the amendment remain bound by the regulations applicable at that time. |
| **Compliance Burden** | **High:** Mandates retrospective listing of older/ existing debt. | **Low:** Operates on a strictly prospective basis. |

iii. Accordingly, it is proposed to amend Regulation 62A of the LODR Regulations as under (additions in **bold**, deletions in ~~strikethrough~~):

*"(1) A listed entity, whose non-convertible debt securities are listed* ***on or after the date of the publication of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (...Amendment) Regulations, 2026 in the Official Gazette,*** *shall list all* ***subsequent*** *non-convertible debt securities~~, proposed to be issued on or after January 1, 2024,~~ on the stock exchange(s).*

***Nothing provided under this regulation shall apply to the requirement of listing of non-convertible debt securities arising out of Regulation 62A, as applicable before the publication of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (...Amendment) Regulations, 2026.***

*~~(2) A listed entity, whose subsequent issues of unlisted non-convertible debt securities made on or before December 31, 2023 are outstanding on the said date, may list such securities, on the stock exchange(s).~~*

*~~(3) A listed entity that proposes to list the non-convertible debt securities on the stock exchange(s) on or after January 1, 2024, shall list all outstanding unlisted non-convertible debt securities previously issued on or after January 1, 2024, on the stock exchange(s) within three months from the date of the listing of the non-convertible debt securities proposed to be listed.~~*

*…*

*…*

*…"*

**Consultation 2: <u>Proposal related to amending the requirement to list all outstanding unlisted debt securities by a listed entity, in terms of Regulation 62A of LODR Regulations</u>**

Is the proposal mentioned at Para 4.2 above appropriate and adequate?

## 5. Public Comments

5.1. Considering the implications of the aforementioned matters on the market participants, public comments are invited on the proposals at Para 4 above. The comments/ suggestions should be submitted latest by **August 31, 2026**, through the online web-based form at the following link: *https://www.sebi.gov.in/sebiweb/publiccommentv2/PublicCommentAction.do?doPublicComments=yes*

5.2. In case of any technical issue in submitting your comment through web based public comments form, you may contact the following through email with the subject: *"Consultation paper on Review of provisions related to ISIN for Debt Securities"*.

i. Mr. Rohit Dubey, GM (rohitd@sebi.gov.in)

ii. Ms. Nishtha Tewari, AGM (nishthat@sebi.gov.in)

**Issued on: August 10, 2026**

**Annexure A**

**DRAFT CIRCULAR**

**SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/XXX** **Date**

**To,**

**Issuers of listed debt securities;**

**Recognised Stock Exchanges;**

**Registered Depositories**

**Sub: Review of provisions related to International Securities Identification Number (ISIN) for debt securities issued on private placement basis**

1. Chapter VIII of SEBI Master Circular for Issue and Listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated October 15, 2025 ("NCS Master Circular") deals with specifications related to ISIN for debt securities.

2. Based on the feedback received from market participants, in order to facilitate fund raising and efficient Asset Liability Management by issuers, it has been decided to increase the maximum number of ISINs maturing in a financial year for debt securities issued on private placement basis by modifying the said Chapter of the NCS Master Circular.

3. Accordingly, para 1.1, 1.2 and 1.3 of the NCS Master Circular shall be replaced with the following:

   *"1.1 A maximum number of seventeen ISINs maturing in any financial year shall be allowed for an issuer of debt securities. In addition, a further six ISINs shall also be available for the issuance of the capital gains tax debt securities by the authorized issuers under section 54EC of the Income Tax Act, 1961 on private placement basis.*

   *1.2 Out of the fourteen ISINs maturing in a financial year, the bifurcation of ISINs shall be as under:*

*a. A maximum of twelve ISINs maturing per financial year shall be allowed for plain vanilla debt securities. Within this limit of twelve ISINs, the issuer can issue both secured and unsecured debt securities.*

*Provided where the total outstanding amount across the twelve ISINs, maturing in a given financial year, reaches Rs. 15,000 Crore, then for each additional issuance of Rs. 3000 Crore, one additional ISIN may be permitted to mature in the same financial year. The same should be intimated by the issuer to the stock exchanges and depositories.*

***Illustration:***
*If the total outstanding amount of non-convertible debt securities of an issuer (plain vanilla debt securities) maturing in a financial year reaches Rs. 15,000 Crore, 1 additional ISIN is unlocked for the issuer. Thereafter, for every incremental threshold of Rs. 3,000 Crore outstanding beyond the initial Rs. 15,000 Crore, one supplementary ISIN shall subsequently be unlocked. The table below illustrates the applicability of the aforementioned provisions:*

| ***Outstanding amount maturing in a financial year (in Rs. Crore)*** | ***Applicable ISIN limit*** |
|---|---|
| *1-15000* | *12* |
| *15001-18000* | *13* |
| *18001-21000* | *14* |
| *For every incremental 3000* | *+1* |

*b. A maximum of five ISINs maturing per financial year shall be allowed for structured debt securities, market linked debt securities, Floating Rate Bonds (FRBs), Zero Coupon Bonds (ZCBs) and Debt Capital instruments (Tier II bonds).*

*1.3 Where an issuer issues only structured/ market linked debt securities/ FRBs/ ZCBs/ Debt Capital instruments (Tier II bonds), the maximum number of ISINs allowed to mature in a financial year shall be twelve."*

4. Further, it has been decided that ISINs pertaining to the following instruments shall be excluded while calculating the applicable ISIN limits for an issuer:

4.1. Government of India (GoI) serviced/ Extra Budgetary Resources (EBR) bonds

4.2. Environment, Social and Governance (ESG) Debt Securities, issued in terms of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

5. All other provisions of Chapter VIII (Specifications related to ISIN for debt securities) of the NCS Master Circular shall remain unchanged.

6. The provisions of this circular shall be applicable with immediate effect.

7. The Stock Exchanges and Depositories are advised to:

    7.1. Make amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision, as may be applicable/ necessary;
    7.2. Carry out system changes, if any, to implement the above;
    7.3. Disseminate the provisions of this circular on their website;
    7.4. Communicate to SEBI the status of implementation of the provisions of this circular;
    7.5. Monitor the compliance of this circular by issuer companies.

8. The Circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 55 (1) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.

9. This Circular is available at www.sebi.gov.in under the link “Legal → Circulars”.

Yours faithfully,

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