



CIRCULAR

CIR/DDHS/P/59/2018

Date: March 28, 2018

To

All Issuers

All Recognized Stock Exchanges

All Depositories

Dear Sir/Madam,

Sub.: Clarifications with respect to circular on “Specifications related to International Securities Identification Number (ISINs) for debt securities issued under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008”.

1. SEBI had issued a circular No. CIR/IMD/DF-1/67/2017 dated June 30, 2017 on “Specifications related to International Securities Identification Number (ISINs) for debt securities issued under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008” **(ISIN circular)**. With respect to the same, based on the queries and representations received from time to time, certain clarifications are issued through this circular:

1.1. It is clarified that structured products/market linked debt securities as mentioned in paragraph 2.1.2.2 of the ISIN circular refer to the structured products/market linked debentures as per the SEBI circular Cir/IMD/DF/17/2011 dated September 28, 2011.

1.2. With respect to paragraph 2.1.3 of the ISIN circular, it is clarified that in case of debt securities, where call and/or put option is exercised, the issuer, if so desires, may issue additional debt securities for the balance period viz. remaining period of maturity of earlier debt securities. For example, if an issuer has issued debt securities in the month of August 2017 having maturity period of three years and callable after one year, then in such a scenario if the call option is exercised in the month of August 2018, then for the balance two years period viz (September 2018-August 2020) the issuer may issue additional debt securities maturing in August 2020, under the same ISIN.

Provided that the aforesaid additional issue shall be subject to the condition that the aggregate count of outstanding ISINs maturing in the financial year in which the original



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issue of debt securities (bearing call and/or put option) is due for expiring, shall not exceed the prescribed limit of ISINs.

- 1.3. With respect to paragraph 2.1.5 of the ISIN circular, it is clarified that for all the debt securities issued in the financial year (FY) 2017-18 on or after July 01, 2017, all the ISINs corresponding to these issues, maturing in any financial year, shall adhere to the limit of 12/5 ISINs.
- 1.4. Additionally, it may be noted that in case of conversion of partly paid debt securities to fully paid debt securities, such conversion shall not be counted as an additional ISIN under paragraph 2.1.2 of ISIN circular.
- 1.5. With respect to Paragraph 2.2 of the ISIN circular, it is clarified that the exemption as granted under paragraph 2.2.5 of the said circular shall also be available to All India Term Lending and Refinancing Institutions (AITLRI) as notified by RBI and Infrastructure Debt Funds registered as Non-Banking Finance Companies subject to them issuing debt securities with minimum five years maturity.
- 1.6. All the exemption from the applicability of ISIN circular, as have been outlined in paragraph 2.2 of the ISIN circular and paragraph 1.5 above shall be available only till June 30, 2020 and shall not continue beyond that period. Thus, no exemption from the applicability of ISIN circular shall be available to any issuer for debt securities issued on or after July 01, 2020.

It is further clarified that for the class of entities, mentioned in paragraph 2.2 of the ISIN circular and paragraph 1.5 above, for whom exemption is available, the said exemption shall be applicable only from paragraph 2.1 and 2.3 of the ISIN circular.

- 1.7. With respect to paragraph 2.3.3 of the ISIN circular, it is clarified that the issuer shall, while making an issue of debt securities, disclose upfront in the Information Memorandum/Disclosure Document that further issuances may be made under the same ISIN. However, if such a disclosure is not made by the issuer then compliance shall have to be made with regulation 59 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 1.8. With respect to paragraph 3.1.2 of the ISIN circular, it is clarified that the statement to be submitted to the stock exchanges shall be submitted half yearly on the basis of the financial year i.e. latest by April 15 and October 15 of each financial year.



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2. The provisions of this circular shall be applicable with immediate effect for the debt securities issued in accordance with SEBI (Issue and Listing of Debt Securities) Regulations, 2008.
3. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
4. This Circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework".

Yours faithfully,

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