NSDL
Technology, Trust & Reach

Participant Services Circular

Circular No.: NSDL/POLICY/2026/0156 October 09, 2026

Subject: SEBI Circular on Introduction of Credit Risk-o-Meter as an additional disclosure mechanism for debt securities.

Attention of the Participants is invited to SEBI Circular no. HO/17/11/22(1)2026-DDHS-POD1/I/23092/2026 dated October 07, 2026 regarding *"Introduction of Credit Risk-o-Meter as an additional disclosure mechanism for debt securities"* **(copy enclosed)**.

Participants are requested to take note of above circular.

For and on behalf of
National Securities Depository Limited

Rakesh Mehta
Digitally signed by Rakesh Mehta
Date: 2026.10.09 17:21:19 +05'30'

Rakesh Mehta
Vice President

Enclosure: One

FORTHCOMING COMPLIANCE			
Particulars	**Deadline**	**Manner of sending**	**Reference**
Investor Grievance Report (Monthly)	By 10th of the following month	Through e-PASS	Para 22 of 'Grievance Redressal' chapter and Para 27 of 'Internal Controls/Reporting to NSDL/SEBI' chapter of NSDL Master Circular for Participants
Networth Certificate and Audited Financial Statements. (yearly)	October 31st	Through e-PASS	Para 20.7 of 'Internal Controls/Reporting to NSDL/SEBI' chapter of NSDL Master Circular for Participants
Compliance report w.r.t Same Mobile number and/ or email address captured for multiple accounts. (Monthly)	Before 27th of following month	Through Email.	Para 26 of 'Miscellaneous' chapter of NSDL Master Circular for Participants.
Risk based Supervision of Participants (Half yearly)	April 30th and Oct 31st	Through e-PASS	Para 7 of 'Internal Controls/Reporting to NSDL/SEBI' chapter of NSDL Master Circular for Participants
Cyber Security & Cyber Resilience framework of Depository Participants (Quarterly)	By 15th of the following month.	Through e-PASS	Para 2.66 of 'Internal Controls/Reporting to NSDL/SEBI' chapter of NSDL Master Circular for Participants

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भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

HO/17/11/22(1)2026-DDHS-POD1/ I/23092/2026 **October 07, 2026**

To,

Issuers of debt securities;
Entities operating as Online Bond Platform Providers (OBPPs);
All Recognised Stock Exchanges;
All Depositories

Madam/ Sir,

Subject: Introduction of Credit Risk-o-Meter as an additional disclosure mechanism for debt securities

1. To assist investors in assessing credit risk through colour-coded visualization prior to investing, it has been decided to introduce a 'Credit Risk-o-Meter' as a mandatory component of the following:
   1.1. Offer document
   1.2. Abridged Prospectus
   1.3. Private Placement Memorandum
   1.4. All advertisements of Issuer/OBPPs
   1.5. Web and mobile platforms of OBPPs

2. The detailed framework for disclosure of Credit Risk-o-Meter is enclosed at Annexure-A.

3. To give effect to the above,

   (a) A new Chapter II-C, titled "Disclosure of Credit Risk-o-Meter for debt securities" shall be inserted in the **Master Circular** for issue and listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper ("**NCS Master Circular")** dated October 15, 2025**.**

(b) Clause 14 shall be inserted in Annexure-XXIB under Chapter XXI of NCS Master circular dated October 15, 2025, as shown below:

Minimum Disclosure Requirements (as applicable) for each security offered on the Online Bond Platform:

1. Name of the Issuer, Security Name and ISIN

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14. ***Credit Risk-o-Meter in the format specified in Annexure-A to this circular.***

4. All other provisions of the NCS Master Circular shall remain unchanged.

5. The provisions of circular shall come into force after 45 days from the date of issuance.

6. The Stock Exchanges and Depositories are directed to:

   a. take all the necessary steps and put in place necessary systems and processes for the implementation of the above provisions of the circular;
   b. make necessary amendments to the relevant bye-laws, rules and regulations, wherever applicable, for the implementation of the above provisions of the circular; and
   c. bring the provisions of this circular to the notice of the existing and prospective issuers of debt securities and also disseminate the same on their website

7. 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.

8. This Circular is available at www.sebi.gov.in under the link "Legal → Circulars".

Yours faithfully,

Rohit Dubey
General Manager
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rohitd@sebi.gov.in

Annexure -A

Disclosure of 'Credit Risk-o-Meter' in respect of Debt Securities

1. **Applicability:** The provisions of this chapter shall apply to all listed and proposed to be listed issuances of Non-Convertible Securities (NCS), Commercial Papers (CPs), Securitised Debt Instruments (SDIs), Security Receipts (SRs), and Structured Debt / Market Linked Debentures (MLDs), whether issued by way of public issue or private placement.

2. **Framework for disclosure of Credit Risk-o-Meter**

2.1. Credit Risk-o-Meter shall be disclosed in:

2.1.1. Offer document
2.1.2. Abridged Prospectus
2.1.3. Private Placement Memorandum
2.1.4. All advertisements of Issuer/OBPPs
2.1.5. Web and mobile platforms of OBPPs

2.2. Issuers/OBPPs shall display the credit risk of debt security in pictorial meter named "Credit risk-o-meter " and this meter shall appropriately depict the level of credit risk in any specific debt security.

2.3. Issuers/OBPPs shall clearly indicate that it represents only the credit risk associated with the debt security.

2.4. The Credit Risk-o-meter shall map SEBI's existing credit rating standardization framework, rating symbols (AAA to D) to following six levels of risk with corresponding colour codes in following manner:

Credit Risk-o-Meter Mapping based with Color Code mentioned in following tabular format.

Risk-o-Meter Level (CRA)	Credit Rating Range	Short term Rating symbols	Color Designation	HTML Color Code
Lowest credit risk	AAA	A1+	Irish Green	#08A04B
Very low credit risk	AA+, AA, AA-	A1	Chartreuse	#7FFF00
Low credit risk	A+, A, A-	A2	Neon Yellow	#FFFF33

Moderate credit risk	BBB+, BBB, BBB-	A3	Caramel	#C68E17
Moderate risk of default	BB+, BB, BB-	A4+	Dark Orange	#FF8C00
High to Very high risk of Default	B+, B, B-, C+, C, C-, D	A4,D	Red	#F70D1A

2.5. The above given colour scheme of credit risk-o-meter shall be applicable for all digital and polychrome printed promotion materials for particular debt security by Issuers/OBPPs.

2.6. The Issuers/OBPPs shall disclose the following in text format below the Credit risk-o-meter:

2.6.1. Name of the credit rating agency (CRA)
2.6.2. Actual credit rating of the respective debt security in text format
2.6.3. For unsecured debt instruments, word “unsecured” shall be mentioned in bold red text

2.7. Where a debt security carries ratings from multiple CRAs, the Credit risk-o-meter shall reflect the lowest rating. However, all ratings may be disclosed alongside the Credit risk-o-meter.

2.8. Credit risk-o-meter: Credit Risk level of the debt security shall be depicted, as given below

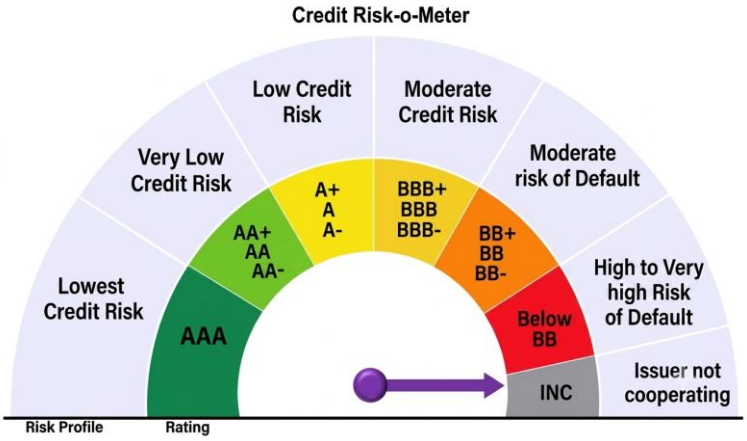
Credit Risk-o-Meter

(a)Credit Rating Agency (CRA) – XXXX
(b)Credit Rating – AAA/AA+/A- (the actual rating given by credit rating agency).
(c)Type of Instrument: **Unsecured**

2.9. In case of Short Term Debt instruments, the credit risk-o-meter shall be shown as below:

(a)Credit Rating Agency (CRA) – XXXX
(b)Credit Rating – A1+,A1, A2 (the actual rating given by credit rating agency).
(c)Type of Instrument: **Unsecured**

2.10. Wherever CRA mentions "Issuer is Not Cooperating" ("INC"), the credit risk-o-meter shall be displayed in following manner in such cases, with arrow directed towards the INC. The INC status shall also be reflected in the textual disclosure below the credit risk-o-meter.



2.11. Disclaimers:

2.11.1. Issuers/OBPPs shall incorporate the following disclaimer in Offer document, Abridged Prospectus and Private Placement Memorandum below the credit risk-o-meter, and display the same suitably on their web and mobile platform:

"The Credit risk-o-meter *is based on evaluation of the credit risk of the issuer and does not constitute investment advice or a recommendation to invest. Investments in debt securities are also subject to market and liquidity risks."*

2.11.2. In case of unsecured perpetual bonds (such as AT1 bonds), the Issuers/OBPPs shall incorporate the following disclaimer in Offer document, Abridged Prospectus and Private Placement Memorandum below the credit risk-o-meter, and display the same suitably on their web and mobile platform:

"The Credit Risk-o-Meter is based on evaluation of the credit risk of the issuer and does not reflect the unique structural risks associated with Unsecured Perpetual Bonds (such as AT1 Bonds). These instruments may carry the risk of total loss of invested capital. Investors are advised to read the Information Memorandum/Private placement Memorandum carefully before investing."

2.12. Additional requirements for OBPPs:

2.12.1. Any change in credit risk-o-meter of the debt security shall be communicated by OBPP on their platform, within 24 hours of receiving intimation of rating change from NSDL/CDSL.

2.12.2. OBPPs shall display the Credit risk-o-meter on the Bond Listing & Bond details page where all other details are prominently displayed before investment action buttons.

2.12.3. OBPPs shall ensure that the credit risk-o-meter is displayed or printed in all forms of advertisements that explicitly reference the rating of the debt security, irrespective of the medium or format of such advertisements.

2.12.4. In case of advertisements published in monochrome format, a QR code shall be provided along with credit risk-o-meter to enable investors to access the website of OBPP/Issuer and view the Credit Risk-o-Meter in the prescribed colour-coded format.

2.12.5. OBPPs shall provide appropriate visualization for Web and Mobile interfaces. The Risk level shall be depicted by "Credit Risk-o-meter" on web-interfaces, as given below:

<u>Sample visualisation for Web view</u>

2.12.6. Further, for the mobile interface, the visualisation of Credit Risk-o-meter may be suitably optimized/condensed as shown below, displaying the entire risk spectrum, with an arrow pointing to the specific risk level associated with the product. Additionally, when the user selects the information ('i') icon, the OBPP's mobile platform shall display the detailed Credit Risk-o-meter, consistent with the visualization provided for the web view.

<u>Sample visualisation for Mobile view:</u>

2.13. Data Source for Credit ratings by OBPPs:

2.13.1. OBPPs shall derive the information for the credit risk-o-meter solely from credit ratings assigned by SEBI-registered CRAs.

2.13.2. OBPPs shall maintain automated system to update the credit risk-o-meter within 24 hours of receiving intimation of rating change from NSDL/CDSL, following the corresponding update of the ISIN database by NSDL/CDSL.

2.13.3. OBPPs shall ensure strict prohibition on manual overrides of credit risk-o-meter classifications.

2.13.4. OBPPs shall maintain audit trails of all credit risk-o-meter updates and rating changes.

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