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***Securities Exchange Board of India vide circular dated August 13, 2021 has issued Guidelines on issuance of non-convertible debt instruments along with warrants ('NCDs with Warrants') in terms of Chapter VI – Qualified Institutions Placement of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018***

- SEBI vide circular dated August 13, 2021 has issued Guidelines on issuance of non-convertible debt instruments along with warrants ('NCDs with Warrants') in terms of Chapter VI – Qualified Institutions Placement of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- In order to streamline procedure of issuance and applicability of EBP platform mechanism on the 'NCDs portion', the following has been decided and made applicable for issues wherein the size of NCDs portion is above threshold prescribed under SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, and Circulars issued there under:
  - i. EBP platform mechanism shall be mandatory for 'NCDs portion' of the issue (for both stapled and segregated offer) and issuer shall be required to comply with the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, and Circulars issued there under.
  - ii. 'Warrants portion' of the issue shall be in terms of Chapter VI on Qualified Institutions Placement under ICDR Regulations, 2018.
  - iii. Of the 'total issue size' of the issue, at least 40% size shall consist of 'Warrants portion'. It may be noted that 'total issue size' shall mean combined size of NCDs issue and the aggregate size of the warrants portion, including the conversion price of warrants.
  - iv. The segregated offer of NCDs and stapled offer, both shall be exempted from the requirements as prescribed under the Regulations 175(3), 179(2) (a), 180(1), and 180(2) of the ICDR Regulations, 2018.



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- Entities involved in the 'NCDs with Warrants' issue process are advised to ensure compliance with this circular.
- This circular is issued in exercise of powers conferred by Section 11(1) read with Section 11A of the Securities and Exchange Board of India Act, 1992 read with Regulations 299 and 300 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

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***Securities Exchange Board of India vide circular dated August 10, 2021 has issued operational guidelines for issue and listing of Non-convertible Securities, Securitized Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper***

- SEBI vide circular dated August 10, 2021 has issued operational guidelines for issue and listing of Non-convertible Securities, Securitized Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper.
- Since the notification of the SEBI ILDS Regulations, 2008 and the SEBI NCRPS Regulations, 2013, SEBI has issued multiple circulars covering procedural and operational aspects thereof. The process of merging these regulations into the SEBI NCS Regulations, 2021 also entails consolidation of related existing circulars (Annex-1) into a single operational circular, with consequent changes. The stipulations contained in such circulars have been detailed chapter-wise in this operational circular. Accordingly, the circulars listed at Annex-1 stand superseded by this operational circular.
- This operational circular provides a chapter-wise framework for the issuance, listing and trading of Non-convertible Securities, Securitized Debt Instruments, Security Receipts, Municipal Debt Securities or Commercial Paper.



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- While this circular covers instruments under the NCS Regulations, certain chapters contain provisions applicable to issue of securities under the SEBI (Issue and Listing of Securitized Debt Instruments and Security Receipts) Regulations, 2008 (hereinafter referred to as the SEBI SDI Regulations, 2008) and SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 (hereinafter referred to as the SEBI ILDM Regulations, 2015).
- This circular shall come into force with effect from August 16, 2021.
- The circular is hereby attached.

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***Reserve Bank of India vide notification dated August 09, 2021 has extended the relaxation of Maintenance of Statutory Liquidity Ratio (SLR) – Marginal Standing Facility (MSF) under Section 24 of the Banking Regulation Act, 1949***

- RBI vide notification dated August 09, 2021 has extended the relaxation of Maintenance of Statutory Liquidity Ratio (SLR) – Marginal Standing Facility (MSF) under Section 24 of the Banking Regulation Act, 1949
- The banks were allowed to avail of funds under the MSF by dipping into the Statutory Liquidity Ratio (SLR) up to an additional one per cent of their net demand and time liabilities (NDTL), i.e., cumulatively up to three per cent of NDTL. This facility, which was initially available up to June 30, 2020, was later extended in phases up to September 30, 2021, providing comfort to banks on their liquidity requirements and also to enable them to meet their Liquidity Coverage Ratio (LCR) requirements.
- Now, with a view to providing comfort to banks on their liquidity requirements, banks are allowed to continue with the MSF relaxation for a further period of three months, i.e., up to December 31, 2021.

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