

SEBI (Issue and Listing of NCS) (Second Amendment) Regulations, 2023

Introducing common offer document disclosures for Private Placement and Public Issue

Introduction of General Information Document (GID)

- **Applicability:** Issue of NCS on private placement basis.
- **When to file:** Issuers to file GID with the stock exchanges (SEs) at the time of **first issuance**.
- **Validity:** GID will have a validity of **1 year** from date of opening of first offer of NCS under the GID.
- **Contents:** Shall contain the following disclosures as specified:
 - Schedule I of the NCS Regulations;
 - In CA, 2013;
 - Additional disclosures as maybe specified by SEBI.
- **Disclosure:** GID may indicate the size of issue

Introduction of Key Information Document (KID)

- **Applicability:** Issue of NCS on private placement basis.
- **When to file:** Issuers to file KID with the SEs for each subsequent offers in private placement of NCS and CPs.
- **Frequency:** At the time of each issue
- **Disclosures in the KID:**
 - Details of the offer of NCS;
 - Financial information, in case disclosure in GID was more than 6 months earlier;
 - Material changes (in information given in GID) and developments (if not disclosed in GID);
 - For subsequent offer under shelf prospectus (if no GID was filed), disclosure as per Schedule I.

Applicability of Revised Disclosures

- **On Comply or Explain basis** till 31st March, 2024
- **Mandatory** after 31st March, 2024
- Issue of NCS under prior shelf placement memorandum or under shelf prospectus in public issue – Not to file GID for subsequent offers if KID is filed.
- Resultant Company to file GID post implementation of scheme of arrangement.

Common disclosure for public issue and private placement

- **Applicability:** Issuance of NCS, perpetual debt instruments, perpetual NCRPs, through private placement of public issue
- Erstwhile Schedule I (applicable to public issue) and Schedule II (applicable to private placement) now combined.
- **Additional disclosures now required:**
 - Reference to pg. no. of audit report in which RPT for last 3 FYs were disclosed
 - Broad lending and borrowing policy of issuer including key terms of loans
 - Disclosure on aggregation basis for immovable properties in case of related parties
 - Expenses incurred on issuance of NCS along with breakup of each item including fees paid towards intermediaries, regulators, marketing, printing & distribution, etc.
 - Revised format of Asset Liability Management and Summary sheet

Issuance of Commercial Paper

- In case GID has been filed for issue of NCS – KID to be filed during the validity of such GID
- In case shelf prospectus for public issue has been filed – Only KID to be filed during validity of shelf prospectus

Audited Financials Statements (FS)

- Audited FS disclosed are not more than 6 months older than the date of filing draft placement memorandum (PM)/issue opening date, except in the following cases where limited review report maybe submitted -
- NCS are listed;
- Issuer is a subsidiary of an entity whose NCS are listed;

Large Corporates (LCs)

LCs to comply with conditions as may be specified by the SEBI

Omission of provisions

- **Reg 47** for filing of shelf placement memorandum
- **Definition** of shelf PM and tranche PM
- **Schedule II** specifying disclosure for private placement of NCS

Vinod Kothari & Company
corplaw@vinodkothari.com

