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**New Disclosure format for Abridged prospectus**

# New Disclosure format for Abridged prospectus

The Security Exchange Board of India has introduced a new format for abridged prospectus so that the investors can have a clear, streamlined and straightforward way to examine all the disclosures on the first page of the document.

The abridged prospectus is a summary of the prospectus, which mentions the details of key features of a prospectus as specified by the Capital market regulator. The companies act states that any person who wants to purchase securities must submit the form accompanied by a prospectus.

SEBI, in its circular, stated that the multitude of information to be displayed made the front page of the document very congested. Therefore it has presented a new format for disclosure format. The disclosures in the abridged prospectus shall be in accordance with the Annexure A of the Circular, and the disclosures on the front page shall be as per the Annexure B of the circular. In the new format, The company will have to disclose the following thing; the name of the promoter, details of the offer, type of issue, size of the total issue and details of share reservation details on the front page of the abridged prospectus.

SEBI has directed all the companies to publish the abridged prospectus on their website, lead manager, and Registrar to an issuer. Further, the company must post a link with the abridged prospectus in the price band advertisement.

It has also been made mandatory for the Merchant banker and Issuer companies to provide for a QR code on the front page of the documents such as abridged prospectus, price band advertisement etc. and this shall direct the investor to the downloading of a prospectus, abridged prospectus and price band advertisement as applicable.

The issuer must ensure that all the information disclosed in the abridged prospectus is accurate and does not contain any misleading information.

Issuer Company shall indicate all the qualitative statements through KPIs (Key Performance Indicators) and other such factors. The issuer cannot make any qualitative statement that cannot be explained through KPIs. SEBI aims to remove all the complications from the current formats and will provide more clarity now.



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