

Scheme of Arrangement | Submission of financial results & line items | Transfer to IPEF for unclaimed NCS amounts by body corporate [w.e.f November 14, 2022](#)

❑ Monitoring agency in case of preferential issue or QIP [Reg. 32 (6) & (7)]

- **Applicable to Equity listed companies [Reg. 32 (6) & (7)]**
- If appointed, to be submitted to the Stock Exchange within 45 days of end of each quarter.
- To be placed before the audit committee on a quarterly basis
 - Promptly upon receipt
 - Corresponding amendment made in Part C of Schedule II.
- Earlier, the requirement was only for rights and public issues.
- Presently, Reg. 164A of SEBI (ICDR) provides for appointment of monitoring agency
 - For preferential issue of shares of companies having stressed assets.
- SEBI, in the [Sep 30, 2022 BM](#) approved the proposal to introduce monitoring of issue proceeds by CRAs in preferential issue & QIP issue of size exceeding Rs. 100 crore and align the monitoring requirements as applicable for public issue
 - SEBI has notified amendments in ICDR as on [November 21, 2022](#).

❑ Clarificatory changes w.r.t. Financial Results in case of NCS listed entities (Reg. 52)

- Audited/ unaudited quarterly & YTD standalone results to be submitted within 60 days from end of last quarter.
- Entities required to be audited under CAG to submit to the SEs-
- Un-audited results along with limited review report within 60 days from the end of FY
- Audited results within 9 months from the end of FY.
- Line items under Reg 52 (4) to be submitted basis applicability
 - Where any ratio is not applicable, entities shall submit such other ratio/equivalent financial information as required under applicable law.
- Statement of utilization of proceeds & statement disclosing material deviation to be submitted along with the quarterly financial results.
- Newspaper publication may consist of only consolidated financial results, where submitted.
 - In addition to publishing line items required under reg 52(4).

❑ Schemes of Arrangement by only NCS listed entities (Reg. 59A)

- Obligations of listed entities
 - Draft scheme of arrangement to be filed with SEs
 - NOC from SEs to be obtained before filing the scheme with NCLT
 - NOC will have a validity of 6 months from date of issuance
 - Requirement not applicable to restructuring proposals approved by NCLT as a part of Resolution Plan under section 31 of IBC.
- Obligations of stock exchange
 - To forward the application to SEBI
 - To submit NOC for the draft scheme to SEBI
 - Thereafter, issue the same to listed entities.
 - To bring the objections to the notice of NCLT, if any
 - To forward its recommendations to SEBI on the documents submitted by the listed entity, upon sanction of the scheme.
- Fees payable to the stock exchanges (Schedule. XI)
 - Equity listed or Equity + NCD/ NCRPS listed = 0.1% of paid up share capital of the listed/transferee/resulting company whichever is higher, post sanction of the scheme by NCLT
 - Only listed NCDs or NCRPS = 0.1% of outstanding debt of listed/transferee/resulting company whichever is higher, post sanction of the scheme by NCLT.
 - Maximum fees payable = Rs. 5 lakhs

❑ Unclaimed NCS amounts in case of body corporate (Reg. 61A)

- Applicable to entities that are not companies under CA, 2013
- Amounts lying in escrow account to be transferred to IPEF
 - That remains unclaimed for 7 years in the escrow account.

❑ Refer our snippet on ID related amendment [here](#).

❑ Refer our snippet on SEBI Board meeting [here](#).

❑ Refer our detailed article on the 6th LODR Amendments [here](#).

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