

## Amendment to LODR

The Securities and Exchange Board of India (“SEBI”) has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) *vide* the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2022 published on January 24, 2022. ([available here](#)).

### **Regulation 17(1C):**

- ❖ The *approval of shareholders* is now required for the *appointment of a manager*, to be obtained at the next general meeting, or within 3 months from the appointment, whichever is earlier.
- ❖ Prior approval of the shareholders is now required for the *appointment or a re-appointment* of a director/manager *earlier rejected by the shareholders*. Where such appointment/ re-appointment is proposed, the statement annexed to the notice for the aforementioned shareholders’ meeting should contain a *detailed explanation and justification* by the *Nomination and Remuneration Committee and the Board of directors* for such recommendation.

**Regulation 32(7):** The *report of a monitoring agency* for utilisation of proceeds of a public/ rights issue be placed before the audit committee on a *quarterly basis* instead of an annual basis.

**Regulation 39(2):** The issuances of *securities certificates* for the purposes of subdivision, split, consolidation, exchanges, duplicates and other such matters must be in *dematerialized form*.

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## Regulation 40 (1):

- ❖ Transmission or transposition of securities was permitted to be processed in both physical and dematerialized form. Now, the securities of a listed entity must be held in *dematerialized form* with a depository, for effecting any requests for *transmission or transposition of securities* as well.
- ❖ A consequential amendment has been made to Regulation 40(3), which requires transmission of shares to be processed within 7 days of receipt of documents.

**Schedule VI:** The unclaimed shares of a listed entity lying in the *Unclaimed Suspense Account or demat suspense account*, shall now be credited *only to the demat account of the allottee* to the extent of the allottee's entitlement. The option to get the delivery of physical certificates after re-materializing the same is *no longer available* to an allottee.

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