



## LATEST STATUTORY SNAPSHOT

FRIDAY 29<sup>th</sup> APRIL 2022

**Here's an update for the Listed Entities!**

### **Subject: OMNIBUS APPROVAL OF RELATED PARTY TRANSACTIONS**

The Securities and Exchange Board of India (SEBI) has clarified the applicability of Reg 23(4) read with Reg 23(3)(e) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in relation to omnibus approval of **Material Related Party Transaction (RPT)** vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated 8<sup>th</sup> April 2022. The Audit Committee of the Board (ACB) may grant omnibus approval for RPTs that shall be valid for a period one year. However, in case of omnibus approval of Material RPTs, the listed entity shall take approval of the shareholders in addition to approval from the ACB. If such approval from shareholders is obtained in the AGM, then the approval shall be valid till the date of next AGM which shall not exceed 15 months from the date of previous approval. In case the approval is sought in any Extra-ordinary General Meeting (EGM), such approval shall be valid for a period of 12 months. Hence, the listed entities are advised to plan their processes accordingly to seek the prior approval of shareholders besides securing approval of ACB for their material RPTs and program ACB approvals for such RPTs so that such approvals end prior to expiry of the validity period of approvals obtained from shareholders at a general meeting, whether AGM or EGM.

Date: 29.04.2022

Place: Coimbatore

**Dr. K.S.Ravichandran**  
**Managing Partner**  
**KSR & Co Company Secretaries LLP.**

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