



CIRCULAR

SEBI/HO/CFD/CMD1/CIR/P/2022/47

April 8, 2022

To,

**All entities that have listed their specified securities  
All the Recognized Stock Exchanges**

Madam / sir,

**Subject: Clarification on applicability of Regulation 23(4) read with Regulation 23(3)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to Related Party Transactions**

1. Regulation 23(3)(e) of the SEBI LODR Regulations specifies that omnibus approval granted by the audit committee shall be valid for a period not exceeding one year and shall require fresh approvals after expiry of one year. Regulation 23(4) of the SEBI LODR Regulations requires shareholder approval for material related party transactions (RPTs).
2. Section 96(1) of the Companies Act, 2013 specifies that the time gap between two Annual General Meetings (AGMs) cannot be more than fifteen months.
3. Representations have been received seeking clarity on the period of validity of the omnibus approval where the transactions are material and shareholders' approval is also required.
4. In order to facilitate listed entities to align their processes to conduct AGMs and obtain omnibus shareholders' approval for material RPTs, it has been decided to specify that the shareholders' approval of omnibus RPTs approved in an AGM shall be valid upto the date of the next AGM for a period not exceeding fifteen months.
5. In case of omnibus approvals for material RPTs, obtained from shareholders in general meetings other than AGMs, the validity of such omnibus approvals shall not exceed one year.
6. The Stock Exchanges are advised to bring the provisions of this circular to the notice of all listed entities that have issued specified securities and also disseminate on their websites.



भारतीयप्रतिभूतिऔरविनिमयबोर्ड  
Securities and Exchange Board of India

7. The Circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 101 of the LODR Regulations. This Circular is available at [www.sebi.gov.in](http://www.sebi.gov.in) under the link "Legal→Circulars".

Yours faithfully,

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