



CIR/CFD/POLICYCELL/14/2013

November 29, 2013

To

All Stock Exchanges  
All Registered Merchant Bankers

Dear Sir/Madam,

**Sub: SEBI Circulars No. CIR/CFD/DIL/3/2013 dated January 17, 2013 and - CIR/CFD/DIL/7/2013 dated May 13, 2013 - Extension of time line for alignment**

1. SEBI vide circular No. CIR/CFD/DIL/3/2013 dated January 17, 2013, *inter alia*, made certain amendments to the Equity Listing Agreement and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ["SEBI (ESOS and ESPS) Guidelines, 1999"] in order to address the concerns over acquisition of shares by employee welfare trusts from the secondary market.
2. SEBI, on receiving various representations seeking clarification on applicability of the circular as well as on the continued holding of securities already acquired by employee benefit trusts before the date of the aforesaid circular beyond June 30, 2013, issued certain clarifications vide circular No. CIR/CFD/DIL/7/2013 dated May 13, 2013. The time line for aligning the existing employee benefit schemes involving securities of the company with the SEBI (ESOS and ESPS) Guidelines, 1999 was also extended to December 31, 2013 vide the said circular dated May 13, 2013.
3. SEBI, based on the representations received, also initiated a consultative process for reviewing the existing SEBI (ESOS and ESPS) Guidelines, 1999 for framing a set of regulations with a view to ensure better enforceability, address the concerns raised with regard to composition of employee welfare trusts, disclosures, etc. and to enable secondary market transactions with adequate safeguards. As part of the said process, SEBI has issued a discussion paper on November 20, 2013.
4. In light of the ongoing review, it has been decided to extend the time line for alignment of existing employee benefit schemes with the SEBI (ESOS and ESPS) Guidelines, 1999, to **June 30, 2014**. Accordingly, in Clause 35C (ii) of the Equity Listing Agreement, the words "**December 31, 2013**" shall be replaced with "**June 30, 2014**".



**भारतीय प्रतिभूति और विनिमय बोर्ड**  
**Securities and Exchange Board of India**

5. All other requirements including the disclosures specified under the aforesaid circulars dated January 17, 2013 and May 13, 2013 shall continue to apply to the listed companies.
6. This circular is being issued in exercise of the powers under Section 11 read with Section 11A of the Securities and Exchange Board of India Act, 1992.
7. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal Framework" and "Issues and Listing".

Yours faithfully,

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