



CIRCULAR

SEBI/HO/CFD/DCR2/CIR/P/2021/576

June 15, 2021

To

All Listed Companies

All Recognized Stock Exchanges

All Registered Merchant Bankers

Dear Sir / Madam,

Sub: Relaxation from the requirement of minimum vesting period in case of death of employee(s) under SEBI (Share Based Employee Benefit) Regulations, 2014

1. Presently, regulation 18(1) and 24(1) of the SEBI (Share Based Employee Benefit) Regulations, 2014 ("SBEB Regulations") provides that there shall be a minimum vesting period of one year in case of employee stock options ("options") and stock appreciation rights ("SAR").
2. Further, regulation 9(4) of the SBEB Regulations states that in the event of death of the employee while in employment, all the options, SAR or any other benefit granted to him/her under a scheme till such date shall vest in the legal heirs or nominees of the deceased employee.
3. In view of the COVID-19 pandemic situation, to provide relief to the families of the deceased employees of listed companies, it has been decided as under:
 - a. the provisions under the SBEB Regulations relating to minimum vesting period of one year shall not apply in case of death (for any reason) of an employee and in such instances all the options, SAR or any other benefit granted to such employee(s) shall vest with his/her legal heir or nominee on the date of death of the employee; and
 - b. this relaxation shall be available to all such employees who have deceased on or after April 01, 2020.
4. This Circular is issued in exercise of powers conferred by Section 11(1) of the Securities and Exchange Board of India Act, 1992.
5. A copy of this circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework/ Circulars."

Yours faithfully,

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