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SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION

Mumbai, the 18th September, 2015

**SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED
EMPLOYEE BENEFITS) (AMENDMENT) REGULATIONS, 2015**

No.SEBI/LAD-NRO/GN/2015-16/021.—In exercise of the powers conferred by sections 11, 11A and 30 of the Securities and Exchange Board of India Act, 1992 read with section 62 of Companies Act, 2013 and rule 12 of Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India hereby makes the following regulations to further amend the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, namely:-

1. These regulations may be called the SEBI (Share Based Employee Benefits) (Amendment) Regulations, 2015.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014:-

(I) In regulation 2, in sub-regulation (1), clause (f), shall be substituted with the following, namely –

“ f. "employee" means—

- (i) a permanent employee of the company who has been working in India or outside India; or
- (ii) a director of the company, whether a whole time director or not but excluding an independent director; or
- (iii) an employee as defined in clause (i) or (ii) of a subsidiary, in India or outside India, or of a holding company of the company

but does not include—

- (a) an employee who is a promoter or a person belonging to the promoter group; or

(b) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company; ”

(II) In regulation 3, in sub-regulation (13), the symbol “.” at the end shall be substituted with the words and symbols “, whether off-market or on the platform of stock exchange.”

(III) In regulation 6, in sub-regulation (3), in its clause (c), the words “or associate” shall be omitted.

(IV) In regulation 31, in sub-regulation (2), in its clause (b), -

- a. in sub-clause (iii), the word “five” shall be substituted with the word “three”;
- b. after sub-clause (iii), following new sub-clause shall be inserted, namely-

“(iv) trustees of a trust may continue to vote in respect of shares held by such trust for a period of three years, commencing from 28th of October, 2014.”

U.K. SINHA
CHAIRMAN
SECURITIES AND EXCHANGE BOARD OF INDIA

Footnote:

1. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 were published in the Gazette of India on 28th October, 2014 vide No. LAD-NRO/GN/2014-15/16/1729.