



MCA allows holding of virtual EGMs till December 31, 2021 | SEBI gives relaxation for employee benefits

INSIGHTS

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Dear Reader

In another breather to the industry in transacting matters MCA has allowed holding of extraordinary general meetings (**EGMs**) vide video conferencing (**VC**) or other audio-visual means (**OAVM**) till December 31, 2021 (from earlier allowed period of June 30, 2021). The extension has been given vide General Circular No. 10/2021, dated June 23, 2021 ([available here](#)). In another change, Companies (Accounting Standards) Rules, 2021 dated June 23, 2021, have been notified ([available here](#)).

Further, in a move to provide relief to the families of deceased employees of listed companies, SEBI has relaxed requirement of minimum vesting period of one year with respect to employee stock options and stock appreciation rights granted to an employee by the listed company in case of death of such employee.

In another change, SEBI has decided to extend the automated system driven disclosures by promoters, members of promoter group, designated persons and directors of company under Regulation 7(2) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (**PIT Regulations**) to listed debt securities of equity listed companies.

A. Relaxation from the requirement of minimum vesting period for employee stock options and stock appreciation rights, in case of death of an employee

Presently, the SEBI (Share Based Employee Benefit) Regulations, 2014 provide for a minimum vesting period of one year in case of employee stock options (**Options**) and stock appreciation rights (**SAR**). Further, in the event of death of the employee while in employment, any benefit, including Options and SAR, granted to such employee vest in the legal heirs or nominees of the deceased employee. In view of the Covid-19 pandemic and providing relief to the families of the deceased employees of listed companies, SEBI has relaxed the minimum vesting period of one year for Options and SAR or any other benefit granted to the employee and the same shall vest with his/her legal heir or nominee on the date of death of the employee. The relaxation has been granted for all such employees who have deceased on or after April 1, 2020, by SEBI vide Circular dated June 15, 2021 ([available here](#)).

B. PIT Regulation | Automated system driven disclosures for listed debt securities

As you are aware, SEBI had vide Circular dated September 9, 2020 ([available here](#)) implemented automated system driven disclosures pertaining to trading in equity shares and equity derivative instruments i.e. futures and options of the listed company (wherever applicable) by members of promoter group and designated persons in addition to the promoters and directors of company (**Relevant Entities**) under Regulation 7(2) of PIT Regulations. SEBI has now extended the facility of automated system driven disclosures by the Relevant Entities to listed debt securities of equity listed companies. These disclosures for listed debt securities along with the equity shares and equity derivative are required to be disseminated on the website of the respective stock exchanges with effect from **July 1, 2021**. The aforementioned change has been introduced by SEBI circular dated June 16, 2021 ([available here](#)).

We trust you will find this an interesting read. For any queries or comments on this update, please feel free to contact us at insights@elp-in.com

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