

September 3, 2009

To,
All Registered Merchant Bankers
All Recognised Stock Exchanges

Dear Sirs,

Sub.: Amendments to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

1. The matters relating to issue of capital and the manner of disclosure of such and other matters incidental thereto have been provided in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as "the ICDR Regulations"). The ICDR Regulations have been notified on August 26, 2009.
2. There are certain provisions in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "the Guidelines") which are required to be complied with by an unlisted issuer at the time of making an initial public offer. Since these provisions pertain to matters relating to issue of capital, the same have now been incorporated in the ICDR Regulations and consequently, it has been decided to amend the Guidelines to remove these provisions as well as the redundant provisions pertaining to application to Central Listing Authority. The full text of amendments is given in **Annexure I**.
3. This circular is being issued in exercise of the powers conferred under sub-section (1) of section 11 of the Securities and Exchange Board of India Act, 1992. This circular and the entire text of the updated Guidelines are available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and "Issues and Listing".

Yours faithfully,

Neelam Bhardwaj

Encl.: As above.

ANNEXURE I

Amendments to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

1. Clause 15 shall be omitted.
2. Clause 15.1 shall be omitted.
3. Clause 15.2 shall be omitted.
4. Clause 15.3 shall be omitted.
5. In clause 22.2, for the words and figures "clause 15.3", occurring after the words "subject to compliance with" and before the words "and, where applicable", the words "*SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009*" shall be inserted.
6. In clause 22.3, the words "*make application to the Central Listing Authority as per SEBI (Central Listing Authority) Regulations, 2003 and*" shall be omitted.
7. Clause 22.4 shall be omitted.
8. Clause 22.5 shall be omitted.

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