

Half day Workshop on

Share Based Employee Benefits: Law, Regulations and Intricacies

Why this Workshop?

ESOPs are one of the popular means of employees' incentivisation for rewarding the continued association of employees in the company. These are prevalent not only in large listed companies, but also in several start-ups. In fact, a growing trend is for the start-ups to issue ESOPs to their employees, later encashed by them at the time of listing of the company. For unlisted companies as well, several compliances and conditions are relevant towards bringing an ESOP scheme.

ESOP compliances interplay between various applicable laws - the Companies Act 2013, SEBI ICDR Regulations - upon first time listing, SEBI Share Based Employee Benefits Regulations, LODR and Insider Trading Regulations, etc. It changes the capital structure of a company, and has significant accounting and taxation implications.

This workshop aims at easing the navigation through the complex maze of compliances applicable during the life-cycle of ESOPs and making the company ESOPs-ready

Course Outline

- ❖ Overview of share-based employee benefit schemes
- ❖ Distinguishing between:
 - ✓ ESOPs vs sweat equity
 - ✓ ESOPs vs SARs
 - ✓ Share warrants and partly paid shares
- ❖ Eligible Employees
- ❖ Regulatory framework for listed and unlisted companies
- ❖ Taxation implications
- ❖ Accounting standards
- ❖ Choice of mode of implementation
 - ✓ Direct route v/s trust route
- ❖ Compliances relevant to trust route
- ❖ Vesting and exercise of ESOPs
- ❖ ICDR for proposed-to-be listed companies
- ❖ Compliances under Insider Trading Regulations
- ❖ Treatment of ESOPs as part of managerial remuneration
- ❖ Disclosure requirements
- ❖ Corporate actions and capitalisation adjustment to ESOPs
- ❖ Buyback of ESOPs
- ❖ Formulating an ESOP scheme - things to note
- ❖ FEMA implications

See detailed course in the next slide

Faculty



Vinod Kothari
Managing Partner,
VK & Co.



Pammy Jaiswal
Partner, VK & Co.






Payal Agarwal
Partner, VK & Co.



24th July, 2026 | 3 pm onwards | Virtual

Details

-  Register here: [click here](#)
-  **INR 8,000** plus GST per participant
-  For any queries, reach out:
Jayashree Gopalan : 8910730557 | jayashree@vinodkothari.com
Khewan Sonchhatra : 9262258088 | khewan@vinodkothari.com

Our Resource Centre on ESOP

Half day Workshop on

Share Based Employee Benefits: Law, Regulations and Intricacies

Detailed Outline

- **Overview of share-based employee benefit schemes**
- **Distinguishing between:**
 - ESOPs vs sweat equity
 - ESOPs vs SARs
 - Share warrants and partly paid shares
- **Eligibility**
 - Employees
 - Employees of group companies
 - Promoters
 - Independent directors
 - Part-time/ contractual employees
 - Any other person?
- **Regulatory framework**
 - Companies Act and rules made thereunder
 - Share Based Employee Benefits & Sweat Equity Regulations
 - LODR Regulations
 - ICDR Regulations
- **Taxation implications**
 - Implications at various stages
- **Accounting standards**
 - Broad understanding of accounting principles
- **Choice of mode of implementation**
 - Direct route v/s trust route
 - Pros and cons
- **Compliances relevant to trust route**
 - Manner of financing trust for acquisition of shares
 - Choice between primary issuance and secondary acquisition
 - Restrictions on pooling of shares by trust
 - Eligibility of trustee under Trust route
- **Vesting and exercise of ESOPs**
 - Criteria for vesting
 - Time for exercise
 - Pricing for exercise of options
 - Conditions where repricing possible
 - Funding exercise of options
 - Unvesting, acceleration of vesting, etc.
 - Resignation of employee
 - Retirement or death
 - Superannuation
 - Termination on account of disciplinary action or otherwise
 - Transfer of employees to group company
- **Transitioning from unlisted company to proposed listing**
 - Conditions and requirements under ICDR Regulations
- **Compliances under Insider Trading Regulations**
 - Pre-clearance and trading window restrictions
 - ESOP funding and contra trade
- **Treatment of ESOPs as part of managerial remuneration**
- **Disclosure requirements**
 - As per Reg 30 of LODR
 - In the financial statements
 - In the annual report and/ or website
- **Corporate actions and capitalisation adjustment to ESOPs**
- **Buyback of ESOPs**
- **Formulating an ESOP scheme - things to note:**
 - Contents of the Scheme
 - Administrator and powers of administrator
 - Liquidity options and exit routes
 - Mechanisms to avoid dilution of control
- **FEMA implications**
 - For foreign owned and controlled companies, or
 - For non-resident employees holding ESOPs