



भारतीय प्रतिभूति और विनियम बोर्ड  
Securities and Exchange Board of India

CIRCULAR

CIR/MRD/DP/ 65 /2017

June 27, 2017

To

All Stock Exchanges

Dear Sir / Madam,

**Sub: Review of Offer for Sale (OFS) of Shares through Stock Exchange Mechanism**

1. Comprehensive guidelines on Offer for Sale of Shares through stock exchange mechanism were issued vide circular no CIR/MRD/DP/18/2012 dated July 18, 2012. These guidelines have been modified from time to time based on the representation/suggestion received from various stakeholders.
2. Based on the representation received and in order to further streamline the process of OFS with an objective to encourage greater participation by employees, the existing provision with respect to restriction on sale of shares by promoters post OFS is modified as follows:
  - 2.1. Promoters of eligible companies shall be permitted to sell shares within a period of 2 (two) weeks from the OFS transaction to the employees of such companies. The offer to employee shall be considered as a part of the said OFS transaction
  - 2.2. The promoters may at their discretion offer these shares to employees at the price discovered in the said OFS transaction or at a discount to the price discovered in the said OFS transaction.
  - 2.3. Promoters shall make necessary disclosures in the OFS notice to the exchange including number of shares offered to employees and discount offered if any.
3. Accordingly, the conditions stated at para 2.1, 2.2 and 2.3 shall be included in the para 1 (b) and para 5 (c) of circular dated July 18, 2012. All other conditions for sale of shares through OFS framework contained in the circulars CIR/MRD/DP/18/2012 dated July 18, 2012, CIR/MRD/DP/04/2013 dated January 25, 2013, CIR/MRD/DP/17/2013



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dated May 30, 2013, CIR/MRD/DP/ 24 /2014 August 08, 2014, CIR/MRD/DP/32 /2014 December 01, 2014, circular CIR/MRD/DP/12/2015 dated June 26, 2015 and circular CIR/MRD/DP/ 36 /2016 February 15, 2016 dated remain unchanged.

4. Stock Exchanges are advised to:

4.1. take necessary steps and put in place necessary systems for implementation of above.

4.2. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above.

4.3. bring the provisions of this circular to the notice of the member brokers of the stock exchange and also to disseminate the same on their website.

5. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

**Sanjay Puro**  
**Deputy General Manager**  
**Email: sanjayp@sebi.gov.in**