PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA
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SHARE SALE TO EMPLOYEES OF CPSEs POST-OFS

New Delhi, Jyaistha 30, 1935
June 20, 2013

In the recent past, Government has undertaken a number of transactions through Offer for Sale of Shares by Promoters through Stock Exchanges Mechanism (OFS). To incentivize the employees of such CPSEs, Government decided to also offer sum shares to them on successful completion of the OFS. The shares are to be offered at a discount of 5% to the lowest OFS discovered price.

The Department of Disinvestment formulated the scheme for transfer of shares to employees which has now been approved by SEBI. According to the scheme, the Shares to employees of the CPSE could be transferred by Government after completion of cooling off period of 12 weeks from the date of the OFS. If, however, shares are to be offered earlier than cooling off period of 12 weeks, specific approval of SEBI is required. The respective CPSE will be informed of the scheme including the price, the number of shares on offer, the minimum and maximum number of shares that can be applied by each employee and the procedure for collection of money and transfer of shares. No employee will be given shares worth more than Rs. 2 lakh. There will not be any lock in period.

The cutoff date for determining the eligibility will be the date on which the decision to undertake OFS was taken by the Government. The CPSE will issue a circular to all employees informing the details of the scheme and the procedure for submission of applications.

The process of transfer of shares will kick start in all such cases where OFS transactions have been completed and Government approval is available. Department of Disinvestment will closely monitor implementation of the scheme by the CPSEs.

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