

Type	Question	Answer
About OFS	What is Offer for Sale (OFS)?	<p>The Securities and Exchange Board of India (SEBI) by a circular CIR/MRD/DP/18/2012 dated 18 July 2012 and CIR/MRD/DP/04/2013 dated 25th January, 2013, has permitted the Stock Exchanges to provide a separate window, i.e. apart from the existing trading system for the normal market segment, to facilitate promoters of listed companies to dilute/offload their holding in listed companies in a transparent manner with wider participation.</p> <p>Please refer to BSE Notice 20130129-23 for comprehensive guidelines.</p> <p>You can also visit the link: Home>Markets>Offer for Sale>About Offer for Sale</p>
	Who are eligible to participate?	<p>Exchange(s) The Exchange(s) where the Promoters decide to offload their holding.</p> <p>Sellers (i) All promoter(s)/ promoter group entities of such companies that are eligible for trading and are required to increase public shareholding to meet the minimum public shareholding requirements. (ii) All promoter(s)/ promoter group entities of top 100 companies based on average market capitalization of the last completed quarter.</p> <p>Buyers All investors registered with the brokers of the aforementioned stock exchanges other than the promoter(s)/ promoter group entities</p>

Announcement of Offer	How we will come to know about the OFS?	<p>Seller(s) shall announce the intention of sale of shares at least one clear trading day prior to the opening of offer, along with the following information:</p> <ul style="list-style-type: none"> • Name of the seller(s) (promoter/ promoter group) and the name of the company whose shares are proposed to be sold. • Name of the Exchange(s) where the orders shall be placed. In case orders are to be placed on both BSE and NSE, one of them shall be declared as the Designated Stock Exchange ("DSE"). • Date and time of the opening and closing of the offer. • Allocation methodology i.e. either on a price priority (multiple clearing prices) basis or on a proportionate basis at a single clearing price. • Number of shares being offered for sale. • The maximum number of shares that the seller may choose to sell over and above the offer made at point above. • The name of the broker(s) on behalf of the seller(s). • The date and time of the declaration of floor price, if the seller(s) chooses to announce it to the market. Alternatively, a declaration to the effect that the floor price will be submitted to the DSE in a sealed envelope that shall be disclosed post closure of the offer. • Conditions, if any, for withdrawal or cancellation of the offer.
	Promoter(s)/ Seller(s) can withdraw his Offer	<p>The offer for sale may be withdrawn prior to its proposed opening.</p> <p>The stock exchange(s) will suitably disseminate details of such withdrawal.</p>

Pricing of Offer	At what price we will get the shares?	It is based on auction method; you have to put your own choice of price based on your judgment. However the Promoter(s)/Seller(s) is/are required to inform the floor price to the Exchange(s). The bids below the floor price will be ineligible and will not be considered for allocation.
	What is Floor Price?	<p>“Floor Price” is the minimum price at which the seller intends to sell the shares.</p> <p>In case the Seller chooses to disclose the floor price, the seller(s) shall declare it after the close of trading hours and before the close of business hours of the exchanges on T-1 day, else the seller(s) shall give the floor price in a sealed envelope to Designated Stock Exchange (DSE) before the opening of the offer. (T day being the day of the offer for sale).</p> <p>The floor price if not declared to the market, shall not be disclosed to anybody, including the selling broker(s). Sealed envelope shall be opened by the DSE after the closure of the offer for sale and the floor price is suitably disseminated to the market. You can visit the link: Home>Markets>Offer for Sale>Live/Forthcoming Issues</p>
Timelines of Offer	What is the timing of OFS?	<p>The duration of the offer for sale shall be as per the trading hours of the secondary market and shall not exceed one trading day.</p> <p>The placing of orders and funds on the exchange system shall take place only during trading hours. In case of institutional trades, the custodians shall conclude the confirmation of bids with the available funds by T+1 day before 1 p.m. (T being the trade day).</p>
Order Placement	Where and how I can place order?	OFS window is available on a web based platform named iBBS (Internet Based Book Building Platform) This is accessible by all Trading Members registered with the Exchange. All investors can participate for placing bids through a trading member with whom they have registered.

	Whether Investors can Modify/ cancel their bids?	Modification/Cancellation is allowed till the end of OFS session depending upon the margin type selected by the member. For further details refer to the details given below:		
No.	Margin Type	Bid Status	Modification	Cancellation
1	100% Upfront Margin	Member Bid	Y	Y
2	100% Upfront Margin	Awaiting custodian confirmation	Y	Y
3	100% Upfront Margin	Confirmed by custodian	Y	Y
4	No Margin (0%)	Member Bid	Y (Upward)	N
5	No Margin (0%)	Awaiting custodian confirmation	Y (Upward)	N
6	No Margin (0%)	Confirmed by custodian	Y (Upward)	N
Risk Management	What are the rules for placing Orders?	<p>Only limit orders/ bids shall be permitted. Multiple orders from a single buyer shall be permitted. In case floor price is disclosed, orders/ bids below floor price shall not be accepted.</p> <p>Margin of 100% of the order value in cash from non-institutional investors at the order level for every buy order/ bid. Institutional investors shall have an option to pay either 0% Margin or 100% Margin of the order value in cash at the order level for every buy order/ bid to the Clearing Corporation/Clearing house.</p>		
	Whether Investor will get any contract note for his purchase of shares?	The brokers shall be required to issue contracts note to its clients based on the allotment price and quantity in terms of conditions specified by the Exchange.		

Demand for Offer	How demand and prevailing price can be seen/ known?	Cumulative demand (number of shares) is shown on the Exchange website at regular intervals. Indicative Price is shown on the Exchange website only in last 60 minutes of the offer for sale. No other details are permissible to be displayed like Investors Category wise demand, price point of demand etc.
	What is Indicative Price?	Indicative Price is the volume weighted average price of all the valid/confirmed bids.
Allocation of Shares	How is allocation done?	The orders shall be cumulated by the Designated Stock Exchange (DSE) immediately on closure of the offer. Based on the methodology for allocation to be followed as disclosed in the notice, the DSE shall draw up the allocation i.e. either on a price priority (multiple prices) basis or on a proportionate basis at a single clearing price.
	What are the allocation methodologies?	There are two allocation methodologies: 1. Price Priority 2. Proportionate Basis The same is informed by Exchange by issuing Notice for every OFS offering

	<p>What is price priority?</p>	<p>The Allocation is done on multiple price. In this method the highest price bidder gets maximum preference. In this method every bidder above clearing price gets allocation on price priority basis. The clearing price is the price at which the book gets exhausted.</p>
	<p>What is proportionate basis?</p>	<p>The Allocation is done on a single price. In this method every bidder who has bid at or above the clearing price gets allocation on proportionate basis. The clearing price is the price at which the book gets exhausted.</p>
	<p>What is clearing price?</p>	<p>The Clearing price can be equal to or above the floor price.</p> <ul style="list-style-type: none"> • Single Clearing Price Single Clearing Price is the price at which the shares are allocated to the successful bidders on a proportionate basis methodology. • Multiple Clearing Prices Multiple Clearing Prices are the prices at which the shares are allocated to the successful bidders in a price priority methodology. <p>The clearing price is the price at which the book gets exhausted. This is the price at and above which allocation is done. The Clearing price will be disclosed and displayed by the Exchange on the Website post allocation under Markets>Live/Forthcoming Issues> (select the company). The clearing price is displayed under "NOTES".</p>

	What are the rules of allocation?	<p>Minimum 25% of the shares offered shall be reserved for mutual funds and insurance companies, subject to allocation methodology. Any unsubscribed portion thereof shall be available to other bidders.</p> <p>No allocation will be made in case order/ bid is below the floor price.</p> <p>No single bidder other than mutual funds and insurance companies shall be allocated more than 25% of the size of offer for sale.</p>
Settlement of Securities and funds	When Seller(s) deliver shares to the Exchange?	The seller(s) shall deposit the entire quantity of shares offered for sale including the additional shares if any, as pay-in with the Clearing Corporation/Clearing House of Designated Stock Exchange (DSE) prior to the commencement of the offer.
	When Investors will know about allocations?	Allocation and the obligations resulting thereof shall be intimated to the brokers on T day, 2-3 hours after issue closed.
	When Investors will get shares?	The settlement of each OFS session will on T+1 day or T+2 day depending on the type of bids placed by the members.. For 100% margin bids pay-out will be on T+1 day and for 0% margin bids, pay-out will be on T+2 day at 1 p.m. (T being the trade day). The payout of both days will be under the same settlement number.

Default Handling	How default in Pay-In will be handled?	In the event of default in pay-in an amount of 10% of the bid value shall be forfeited as penalty and shall be credited to Investor Protection Fund. The balance amount shall be returned to the bidder.
Cancellation of Offer	Is Cancellation of Offer permitted during the bidding period/ after the conclusion of the OFS?	<p>Cancellation of offer is not permitted during the bidding period.</p> <p>If the seller(s) fail(s) to get sufficient demand at or above the floor price, he/they may choose to either conclude the offer or cancel it in full.</p> <p>The seller may also choose to conclude the offer or cancel it in full, in case of defaults in settlement obligation.</p>