**OFS (Offer for Sale) – Frequently Asked Questions (FAQ)**

**1. What is OFS (Offer for Sale)?**

An Offer for Sale (OFS) is a mechanism that allows existing shareholders of a listed company (such as promoters or large investors) to sell their shares to the public through the stock exchange platform.

Unlike an IPO, in an OFS:

- The company does not issue new shares.
- The shares are sold by existing shareholders.
- The company does not receive any funds from the sale.
- The proceeds go to the selling shareholders.

OFS is commonly used by promoters to reduce their shareholding and comply with SEBI's minimum public shareholding norms.

**2. Who can launch an OFS?**

OFS can be launched by:

- Promoters of listed companies
- Promoter group entities
- Large shareholders holding significant stake

The company must already be listed on a stock exchange.

**3. How does OFS work?**

- The seller announces the OFS with:
    - Floor price
    - Total shares offered
    - Date of the offer
- Investors bid through the stock exchange platform.
- Allocation happens based on bids received.
- Shares are credited to the Demat account.

**4. Who can apply in an OFS?**

- Retail Investors
- Non-Institutional Investors (HNI)

**5. What are the timings to apply for OFS online?**

The online OFS application timings are as follows:

| Sr. No. | Category | Start Time | Fresh Order Till | Order can Modify Till |
|---|---|---|---|---|
| 1 | Retail Investors | **9:15 AM** | **3:00 PM** | **3:30 PM** |
| 2 | Non-Institutional (HNI) | **9:15 AM** | **3:00 PM** | **3:30 PM** |

**Important Notes:**

- OFS bidding is allowed only during market hours on the specified OFS day(s).
- Investors are advised to place their bids well before 3:00 PM to avoid last-minute issues.
- The OFS window is typically open for one or two trading days, as announced by the exchange.
- Timings are subject to exchange and regulatory guidelines.
- **Modify or cancel your bid during market hours on the bidding day.**
- **Once bidding closes, modification is not allowed.**

- Day 1: Reserved for institutional investors (T Day)
- Day 2: Open for retail investors (T+1 Day)

- **6. What is the minimum investment amount in OFS?**

Retail category in OFS:

- Usually, investment up to ₹2 lakh.
- Bids above ₹2 lakh are treated as Non-Retail (HNI).

Minimum bid quantity depends on:

- Price of the share
- Lot size (if specified)

**7. Is there a price band in OFS?**

Generally:

- A floor price is declared.
- Investors can bid at or above the floor price.
- Final allocation price is determined based on demand.
- Once bidding closes, modification is not allowed.

**8. When are OFS shares credited?**

- Shares are generally credited on **T+1 days**.
- Funds are debited after successful allocation.

**9. Can I sell OFS shares immediately?**

Yes.
Since the company is already listed, you can sell the allotted shares once they are credited to your Demat account and available for trading.

There is generally **no lock-in period for retail investors**.

**10. What are the benefits of investing in OFS?**

- Opportunity to buy shares at or near discount to market price
- Transparent bidding mechanism
- Quick settlement process
- No long waiting period like IPO listing

**11. What are the risks in OFS?**

- Market price may fall below the purchase price
- High volatility on OFS day
- No guarantee of full allocation
- Oversubscription risk