

FAQs on e-OFS

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Background:

Offer for Sale (OFS) mechanism has been introduced to facilitate promoters to dilute/offload their holding in listed companies. A separate window is being provided by the Exchange for the same.

FAQs:

1. What is offer sale?
Offer for sale (OFS) is a method used to reduce & reverse the concentration of stock ownership, making it more scattered and dispersed in the hands of many shareholders. It is a mechanism to transfer and distribute ownership of a company from the promoters/institutions to other investors in the stock market.
2. How can members place OFS orders?
OFS order can be placed through the NSE e-OFS platform which replaced the erstwhile NEAT based OFS platform w.e.f. Feb 20, 2020
3. Does an investor have access to OFS module?
No, this facility is only available to trading members of the exchange. All Investors can participate for placing bids through their registered Trading members.
4. What are the categories of investors that can participate in OFS?
The following are list of investor categories registered with NSE that can participate in OFS.
 - Retail Investors
 - NRIs
 - Foreign Portfolio Investors
 - Qualified Institutional Buyers
 - Corporates
 - Mutual Funds
 - Insurance Companies
 - Trusts & HUF
5. What are the steps for members to Login on NSE e-OFS Platform?
 - a. All trading members registered with the exchange can access this platform.
 - b. Members wishing to access the e-OFS platform shall place request for e-OFS access from ENIT
 - c. An email shall be sent with Admin User credentials & password link on the email provided by the member.
 - d. Member shall receive password & establish successful login after providing OTP received on Mobile/E-mail.
 - e. Members can then login into the e-OFS platform using admin user & thereafter create branch & user ids to place orders on NSE e-OFS platform.
6. How is the information regarding e-OFS communicated to market participants? Details of the OFS are declared by the seller to the exchange one day prior to the OFS. The details include the following information:
 - Name of company issuing OFS
 - Date & Time of the opening & closing of the offer
 - Name of the exchange, it can be NSE, BSE or both. However one will designated Stock Exchange.

- Number of shares offered for sale
- Name of the broker on behalf of the seller
- Allocation methodology: Price priority or proportionate basis
- Any other information as provided by the seller along with the terms & conditions

The announcement will be disseminated by the Exchange on its website immediately to inform the market.

7. Is mock session conducted for every OFS? If Yes, when?
Mock sessions are conducted only when a new functionality is released for testing to the registered members of the exchange.
8. What about the existing APIs for Non Neat Frontend (NNF)
Existing APIs for NNF shall be discontinued and only Web API shall be available. The e-OFS web API document is available on the following link.
https://www1.nseindia.com/technology/content/trading_protocols.htm
> Protocol documents for WEB based interfaces > eOFS
9. How can the members who wish to avail API facility in e-OFS connect?
Member connecting via API are requested to create users and enable API access post receipt of Admin user credentials. Members are requested to provide Admin user creation request by providing the below details on ENIT portal on the path: Membership > Enablement > eOFS
10. What is the process for creating users in e-OFS?
Member has to provide one time request on ENIT for Admin creation. Subsequently Admin has the facility to create users and branches as per their requirement.
11. What is the Cut-Off Price in OFS?
Cut-Off price is the lowest price at which an investor is allocated shares during an OFS. This way, the investor can simply apply for shares at the cut-off price without worrying about price discovery at the time of bidding.
12. What is Floor price in OFS?
Floor price is the minimum price at which seller wants to sell his shares. However, this information is not declared to the market & is informed to the designated exchange one day prior to the day of OFS after the closure of the trading hours.
13. Is there any allocation methodology after the closure of the OFS?
Shares are allotted by the designated stock exchange to the trading members on the basis of allocation methodology i.e. Proportionate basis or Price Time Priority basis
14. Can the issuer of the OFS withdraw his offer?
Yes. the issuer of the OFS can withdraw his offer before the opening of the OFS
15. Is there any recent circular available for Offer for Sale?
Yes, Circular number NSE/CMTR/62927 dated July 12, 2024 can be referred to which explains the revised operating guidelines & terms & conditions of OFS by NSEIL.

16. Kindly provide contact details case of any queries / clarifications?
You can reach the Member Service Department at 1800 266 0050 (Option 1) or email us at msm@nse.co.in