PRESS RELEASE

Mumbai, 3rd August 2026

Closing Auction Session was implemented under the guidance of SEBI as it promotes transparency and fair and robust price discovery

1. Mechanism of Closing Auction Session (CAS)

    1.1. Closing Auction Session (CAS) is made applicable in a phased manner. Initially, from August 3, 2026, the closing price of stocks in the cash segment on which derivative contracts are available are determined based on CAS. The closing price for the remaining securities in the cash segment continues to be determined based on VWAP of the trades executed during the last 30 minutes of the CTS(Continuous Trading session) in the cash segment.

    1.2. CAS session is implemented as a separate session of 20 minutes from 3:15 pm to 3:35 pm on all trading days. The first 5 minutes (i.e. 3:15pm to 3:20pm) is given for Reference price calculation / Transition from CTS to CAS. Next 5 minutes (i.e. 3:20 to 3:25pm) is Order entry period - for both limit and market orders. Next 5 minutes (i.e. from 3:25 to 3:30 pm) is for Order entry period only for limit orders, during this time no modification/ cancellation for market orders and Random Close in the last 2 minutes (3:28 p.m. to 3:30 p.m.). The order entry session closes randomly anytime between the above-mentioned 2 minutes and such random closure is system driven. Subsequent to such random closure, order matching takes place.

    1.3. The Equity derivatives segment continues to operate up to 3:40 p.m. on all trading days.

    1.4. The reference price of a stock in CAS in the cash segment is determined based on the VWAP of the trades executed in the stock during the period 3:00 p.m. to 3:15 p.m. In case no trade is executed in a stock in the cash segment during the period 3:00 p.m. to 3:15 p.m., the Last Traded Price (LTP) of the stock during the day is taken as the reference price for CAS. In case of corporate action, previous day’s closing price is the adjustable closing price or the base price. Price band applicable during CAS is +/- 3% from the reference price of the stock. The price band of stock futures during the period from 3:15 p.m. to 3:40 p.m. is in alignment with the price band applicable during CAS.

    1.5. Only limit orders and market orders are allowed and both are reckoned for computation of equilibrium price. Certain orders are not allowed in CAS session like Iceberg orders and Stop loss orders.

1.6. The closing price in CAS is determined based on the equilibrium price mechanism. The equilibrium price is the price at which the maximum volume is executable. Market orders are given priority over limit orders.

1.7. All unexecuted limit orders of the CTS are carried forward to CAS, except Stop loss orders, Iceberg orders and Orders having prices beyond the price bands applicable in CAS. The limit orders carried over from the CTS to CAS have a higher time priority than limit orders placed during CAS. The limit orders carried over from the CTS to CAS can be modified, however, time priority after the modification is changed.

1.8. Calculation of settlement prices by Clearing Corporations (CCs) for stock derivatives and index derivatives. The settlement price is the closing price of the underlying index on the day of expiry. The closing price of the underlying index is based on the closing price of the constituents of the underlying index. The stock exchanges will settle the derivative contracts at a price calculated by the CCs based on volume weighted average of the closing prices of the stock in the cash segment across all Stock Exchanges.

1.9. The current risk management system for cash market is applicable during CAS. Orders in CAS are subject to applicable margin requirement at order level, except for the limit orders carried over from CTS to CAS. However, if such limit orders are modified during CAS, then, such limit orders will also be subject to applicable margin requirement at the order level.

2. The index graph on the Exchange during the CAS session needs to be properly interpreted, as there is no sudden change in the Index at 3:30pm but the order collection, cancellation and matching follows a process and as there is no continuous order matching between 3:15pm and 3:30pm, the index value is constant as it is based on traded values. However, the indicative values are displayed just besides that get quote on the Exchange website, based on the indicative values derived from the equilibrium prices calculated continuously during 3:15pm and 3:30pm.

3. Both the Exchanges have separate order books for CAS session similar to the continuous trading session and hence, the prices of the individual stocks are also different. As the index is calculated based on the prices determined of the individual stocks, the index values can also be different. In a study of open prices of scrips based on pre open call auction session during the period 2014 to 2024, it was found that there were more than 8.5 lac scrip days where the open price difference was more than 2%.

4. Today was the first day of CAS implementation, however, on the first day itself 515 trading members participated and they placed orders for 56773 unique PANs. It was more than todays Pre-open call auction session where 403 trading members participated who placed orders for 42822 unique PANs. It may be noted that Pre open session has been implemented more than a decade ago. So given the first day, the participation levels were very good. This is expected to mature and increase with time.

About National Stock Exchange of India Limited (NSE):

National Stock Exchange of India (NSE) began its operations in 1994 and was the first exchange in India to implement electronic or screen-based trading. NSE has a fully integrated business model comprising exchange listings, trading services, clearing and settlement services, indices, market data feeds, technology solutions and financial education offerings. NSE also oversees compliance by trading, clearing members and listed companies with the rules and regulations of SEBI and the exchange. NSE is a pioneer in technology and ensures the reliability and performance of its systems through a culture of innovation and investment in technology. NSE is the world's largest derivatives exchange by trading volume (contracts) for calendar year 2025 as per the statistics maintained by Futures Industry Association (FIA). NSE is ranked third in the world in equity segment by number of trades (electronic order book) in 2025, as per the statistics maintained by World Federation of Exchanges (WFE).

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