

Department: Market Operations	Segment: Capital Market and Futures & Options
Circular No: MSE/TRD/18763/2026	Date: March 19, 2026

Subject: Operational guidelines and Standard Operating Procedure (SOP) on Introduction of Closing Auction Session (CAS) in the Equity Cash Segment

To All Members,

Operational guidelines and Standard Operating Procedure (SOP) on Introduction of Closing Auction Session (CAS) in the Equity Cash Segment

This is further to the SEBI circular no. SEBI/HO/47/11/11(3)2025-MRD-POD2/I/2765/2026 dated January 16, 2026 and Exchange circular ref no MSE/TRD/18487/2026 dated January 19, 2026, regarding introduction of Closing Auction Session (CAS) in the Equity Cash Segment and certain modifications in the Pre-Open Auction Session.

In accordance with clause 4.4.3 & 4.9.2, of SEBI circular no. SEBI/HO/47/11/11(3)2025-MRDPOD2/I/2765/2026 dated January 16, 2026, members are requested to note the below operational guidelines and SOP w.r.t price bands in CAS.

1. Applicability of CAS

1.1. CAS shall be made applicable in a phased manner. Initially, the closing price of stocks in the cash segment on which derivative contracts are available shall be determined based on CAS.

2. Reference price for CAS

2.1. The reference price of a stock in CAS in the cash segment shall be determined based on the VWAP of the trades executed in the stock during the period 3:00 p.m. to 3:15 p.m.

2.2. 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 shall be taken as the reference price for CAS. In case there is no trade during the day, the closing price of the stock of the previous trading day shall be taken as the reference price for CAS. In case of corporate action, previous day's closing price shall be the adjustable closing price or the base price.

2.3. The calculation of reference price for arriving at price band of stock futures, to ensure its alignment with the price band applicable during CAS in CM segment, shall be similar to the methodology enumerated in point 2.1 & 2.2 above, where prices of respective future contracts shall be considered for calculation as below:

2.3.1. The reference price of stock future shall be determined based on the VWAP of the trades executed in the stock future during the period 3:00 p.m. to 3:15 p.m.

2.3.2. In case no trade is executed in a stock future during the period 3:00 p.m. to 3:15 p.m., the Last Traded Price (LTP) of the stock future during the day shall be taken as the reference price.

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2.3.3. In case there is no trade during the day, prevailing theoretical price (based on cash market LTP at 3:15 p.m.) of the stock future shall be taken as the reference price.

3. Applicable price band

3.1. Cash market segment

3.1.1. Price band applicable during CAS shall be +/- 3% from the reference price of the stock for CAS.

3.2. Futures & Options segment

3.2.1. Futures price band

3.2.1.1. The price band of stock futures during the period from 3:15 p.m. to 3:40 p.m. shall be in alignment with the price band applicable during CAS. Accordingly price band applicable to stock futures during 3:15 p.m. to 3:40 p.m. shall be +/- 3% from the reference price of the futures contracts. The reference price for futures segment shall be calculated as per point 2.3 referred above. Accordingly, the existing framework for dynamic flexing of price bands for stock futures, as specified at para 2.5.3 of Chapter 1 of SEBI Master Circular for Stock Exchanges and Clearing Corporations (SECC) dated December 30, 2024, shall not be applicable during the period from 3:15 p.m. to 3:40 p.m. Accordingly, the last half an hour of trading as per para 2.5.3.1 of Chapter 1 of Master Circular for Stock Exchanges and Clearing Corporations (SECC) dated December 30, 2024 shall be considered as last half hour of CTS, i.e. 02:45 pm to 03:15 pm.

3.2.1.2. It may be noted that application of price band to future contracts and subsequent cancellation of outstanding orders outside such revised price bands shall be undertaken in a sequential manner which is likely to last for some time and shall not happen instantaneously at 3:15 p.m.

3.2.1.3. Further, the change shall be to the extent that, the LPP of stock future contracts shall be recalibrated and such recalibration will start at 3:15 pm, while revising the price band as per points 3.2.1.1 & 3.2.1.2 above. Reference price for LPP shall be same as mentioned in the point 2.3 above.

3.2.2. Options price band

3.2.2.1. There shall be no change in methodology in options price band or Limit Price Protection (LPP) ranges during the entire trading market hours i.e. from 9:00 a.m. to 3:40 p.m. including CAS.

4. Types of orders allowed in CAS

- 4.1. Only limit orders and market orders shall be allowed and both shall be reckoned for computation of equilibrium price.
- 4.2. Disclosed quantity orders shall not be allowed, i.e., orders shall be disclosed in full quantity.
- 4.3. Stop loss orders shall not be allowed.
- 4.4. Algo market Orders:
 - 4.4.1. As per the risk checks, algos are not allowed to place market orders except for post-closing session.
 - 4.4.2. Post implementation of CAS, algo market orders will be allowed in CAS session. On alignment of the Pre-Open Auction Session framework with CAS, algo market orders will be allowed in preopen session as well.
 - 4.4.3. Further, the Exchange will not levy any penalty for these market orders placed in CAS & pre-open session emanating from Algos. Penalty for orders during the normal market session shall continue as Exchange circular MSE/INSP/17961/2025 dated October 10, 2025.

5. Daily Closing price

5.1. Cash market segment

- 5.1.1. For securities on which CAS is applicable, closing price shall be determined based on the equilibrium price determination mechanism in CAS. In case the equilibrium price is not determined, then reference price calculated as per point 2.1 & 2.2 above shall be the close price. In case equilibrium price is not determined and security is not traded for the day, the latest available close price is considered as the close price for that day.
- 5.1.2. For securities on which CAS is not applicable, closing price shall continue to be determined as per existing mechanism as mentioned in point 3.8 of Exchange circular ref no MSE/TRD/17112/2025 dated April 30, 2025.

5.2. Futures and Options segment

- 5.2.1. Closing price shall continue to be determined as per existing mechanism as mentioned in point 3.12 of Exchange circular ref no MSE/TRD/17111/2025 dated April 30, 2025.
As per extant mechanism, Exchange shall provide the closing prices data to the CCs for calculation of settlement prices.

6. Dissemination of information during CAS

6.1. Indicative equilibrium price and indicative tradable quantity

As per current practice, Exchange shall continue to disseminate Indicative equilibrium price of the security and indicative tradable quantity at that price

6.2. Indicative cumulative buy and sell quantity of the stock

6.2.1. As per current practice, total buy & total sell outstanding orders in the orders book, is being disseminated in pre-open session (vide point 17.1.14.2 of Chapter 1 of SEBI Master circular no SEBI/HO/MRD-PoD2/CIR/P/2024/00181 dated December 30, 2024), the same mechanism shall be implemented.

6.3. Indicative imbalance quantity of the stock at equilibrium price

6.3.1. Absolute difference between Cumulative buy quantity and Cumulative sell quantity at the equilibrium price by considering both limit & market orders

6.3.2. In addition to the aforesaid absolute difference an indicator shall be provided to show the side (Buy/sell) having greater order quantity.

6.4. Indicative imbalance quantity based on market orders of the stock

6.4.1. Absolute difference between Cumulative buy quantity and Cumulative sell quantity by considering only market orders.

6.4.2. In addition to the aforesaid absolute difference an indicator shall be provided to show the side (Buy/sell) having greater order quantity.

6.5. Dissemination of Indicative index during CAS

6.5.1. Since the CAS mechanism shall be implemented in phased manner, it is possible that certain constituents of any index are trading in CAS whereas remaining constituents of same index are trading in CTS simultaneously. Thus, Exchange shall disseminate both the actual index value and the indicative index close value, during the CAS.

6.5.2. Actual index value when CAS is in progress shall be computed considering its constituents' prices as below:

6.5.2.1. Stocks for which CAS is not applicable: Real time LTP of CTS as per current logic

6.5.2.2. Stocks for which CAS is applicable: LTP of CTS

6.5.3. Indicative index close value when CAS is in progress shall be computed considering its constituents prices as below:

6.5.3.1. Stocks for which CAS is not applicable: VWAP of all the trades from 3.00PM onwards

6.5.3.2. Stocks for which CAS is applicable: Indicative equilibrium price of the stock during CAS

Members are requested to note that other operational modalities and guidelines shall be provided by Exchange in separate circular from time to time.

For any clarifications, contact Customer Service on 022-61129010 or send email to customerservice@msei.in.

**For and on behalf of
Metropolitan Stock Exchange of India Limited**

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