RMS Policy: Closing Auction Session (CAS)

Effective from August 3, 2026 | Client-facing operational and risk-management policy

Document control	Details
Policy owner	Risk Management / Compliance / Operations
Applicable entity	Bonanza Portfolio Limited
Policy status	Effective from August 3, 2026
Document date	July 31, 2026
Applicability	Equity cash, index derivatives and stock derivatives

Important client action: Clients using MIS/INTRADAY must close open positions before the revised auto square-off time. RMS square-off is a risk-control facility and does not replace the client's responsibility to monitor and close positions.

1. Purpose

This policy explains the changes arising from the introduction of the Closing Auction Session (CAS), the revised market closing schedule, BONANZA's revised MIS/INTRADAY auto square-off timings, and the risk-management treatment of orders and positions near market close.

It also explains how the closing price is determined, why CAS is being introduced, how the auction operates, which orders are permitted, how existing orders are treated, and the responsibilities of clients.

2. Scope

This policy applies to BONANZA clients trading in:

- Equity stocks covered under CAS;
- Equity stocks not covered under CAS;
- Index futures and options; and
- Stock futures and options.

All times stated in this policy are Indian Standard Time (IST).

3. Key definitions

Term	Meaning
CAS	Closing Auction Session: the end-of-day auction used to determine the official closing price of eligible stocks.

Term	Meaning
CTS	Continuous Trading Session: the regular order-matching session in which trades occur continuously.
CAS stock	A stock identified by the exchanges as eligible for CAS; in Phase I, this broadly covers stocks on which F&O trading is permitted.
Non-CAS stock	An equity stock that continues under the normal continuous trading and existing closing-price process.
MIS/INTRADAY	A product type intended for intraday trading. Open positions are required to be closed within the same trading day.
RMS	BONANZA's Risk Management System, which monitors risk, margins, orders and open positions and may take protective action.
Reference Price	The price used to establish the permissible CAS auction range, generally based on VWAP from 3:00 PM to 3:15 PM.
Equilibrium Price	The price at which the maximum executable quantity can be matched during CAS; this becomes the official closing price.
VWAP	Volume Weighted Average Price: the average traded price weighted by the quantity traded at each price.
LTP	Last Traded Price: the price at which the most recent trade was executed.

4. Policy statement and effective date

SEBI has introduced the Closing Auction Session to enhance the price-discovery process used for the closing price of eligible stocks. CAS and the associated revised timings will take effect from August 3, 2026.

Market opening timings remain unchanged.

5. Revised market timings

Segment	Market closing schedule
CAS-eligible equity stocks	Continuous trading until 3:15 PM, followed by CAS
Equity stocks not covered under CAS	Continuous trading until 3:30 PM
Index and stock F&O contracts	Trading until 3:40 PM

Clarification: For a CAS-eligible stock, 3:15 PM is the end of continuous trading—not the end of all exchange activity. The stock then moves into the Closing Auction Session.

6. Revised MIS/INTRADAY auto square-off timings

Product/segment	Existing timing	Effective August 3, 2026
Equity - CAS stocks	3:20 PM	3:05 PM
Equity - non-CAS stocks	3:20 PM	3:20 PM (No Change)
Index and stock F&O contracts	3:23 PM	3:25 PM

7. RMS operating rules for MIS/INTRADAY positions

7.1 Client responsibility

Clients using MIS/INTRADAY are responsible for monitoring and closing their open positions before the applicable auto square-off time. Clients should not rely on CAS or on the RMS process as their primary method of closing an intraday position.

7.2 Commencement of RMS square-off

BONANZA's RMS may begin the auto square-off process at or before the stated time, depending on market conditions, liquidity, volatility, available margin, system load, exchange restrictions and the client's risk exposure.

The stated time indicates the scheduled commencement of the RMS process and is not a guarantee that every position will be closed at that exact moment.

7.3 Treatment of pending orders

To facilitate closure of an open MIS/INTRADAY position, RMS may cancel pending orders linked to the position, including target, stop-loss or other conflicting open orders. Clients should review and cancel conflicting orders before manually closing their positions.

7.4 Execution risk

RMS square-off orders may be affected by:

- Insufficient market liquidity or lack of a matching counter-order;
- Circuit limits, price bands or trading suspension;
- Order rejection by the exchange or order management system;
- High volatility, slippage or rapid price movement;
- Insufficient margin or other applicable risk checks;
- Technical, connectivity or exchange-side interruption; or
- Any regulatory or exchange restriction applicable to the security or contract.

Accordingly, the execution price, execution time and complete execution of an RMS order are not guaranteed.

7.5 Positions that remain open

If a position cannot be squared off, it may remain open and will continue to be subject to applicable margin, settlement, exchange and RMS requirements. Any resulting loss, obligation, penalty, auction impact or settlement liability remains the client's responsibility, subject to applicable law and regulation.

7.6 Charges

RMS square-off may attract applicable charges in accordance with BONANZA's prevailing tariff, RMS policy and client agreement.

8. Why the closing price is important

The official closing price is used across the financial market for:

- Calculating market indices such as Nifty and Sensex;
- Determining the Net Asset Value (NAV) of mutual fund schemes;
- Applicable final-settlement calculations for F&O contracts on expiry;
- Valuing client portfolios and preparing Profit & Loss reports;
- Valuing securities pledged as collateral;
- Measuring the performance of index funds and Exchange Traded Funds (ETFs); and
- Other exchange, clearing, settlement and reporting purposes.

9. Existing method of calculating the closing price

Under the existing mechanism, the closing price is generally determined using the Volume Weighted Average Price of trades executed during the applicable closing period.

VWAP = Sum of (Trade Price x Trade Quantity) / Total Traded Quantity

9.1 Why the closing price is not simply the LTP

The Last Traded Price may be influenced by a small trade at an unusual price near market close. For example, assume a stock trades actively between Rs. 1,000 and Rs. 1,010 throughout the day. At 3:29 PM, a participant sells 10 shares at Rs. 980 during a thin-liquidity moment. Rs. 980 becomes the LTP, but it may not fairly represent the price at which the broader market valued the stock.

A defined closing-price methodology reduces the influence of an isolated final trade.

10. Why CAS is being introduced

CAS brings buy and sell interest into one common auction pool near market close. Instead of relying only on trades executed at different times during continuous trading, the auction considers the combined demand and supply available during the closing window.

The intended benefits include:

- Improved closing-price discovery;
- A fairer representation of overall demand and supply;
- Better visibility of collective market interest;
- More efficient execution opportunities for large orders;

- Lower market-impact costs for large participants;
- Lower tracking error for ETFs and index funds; and
- Alignment with closing-auction practices followed by major global exchanges, including NYSE and LSE.

Large investors may otherwise need to split substantial orders into smaller trades to reduce their impact on market prices. By pooling orders, CAS may provide a greater opportunity for a large buyer and a large seller to meet at the same price.

11. Applicability during Phase I

Category	Stocks covered	Closing process
Category I	Stocks where F&O trading is permitted	CAS applicable
Category II	All other equity stocks	CAS not applicable in Phase I

- Continuous trading in CAS stocks stops at 3:15 PM and is followed by CAS.
- Non-CAS stocks continue normal continuous trading until 3:30 PM.
- Index and stock derivative contracts continue trading until 3:40 PM.
- The exchanges identify CAS-eligible securities, and the list may change when derivative eligibility changes.

11.1 Independent auctions across exchanges

NSE and BSE conduct their Closing Auction Sessions independently. Reference prices, auction order books and equilibrium prices may therefore differ across exchanges. The official closing price discovered on one exchange may differ from the closing price discovered on another exchange.

12. Closing Auction Session timeline

Time	Activity
3:00 PM-3:15 PM	Continuous trading and reference-price VWAP calculation
3:15 PM-3:20 PM	Reference-price calculation and transition from CTS to CAS; no fresh orders accepted
3:20 PM-3:25 PM	Order Entry Session I: market and limit orders
3:25 PM-random close	Order Entry Session II: limit orders only
3:28 PM-3:30 PM	Random closure of the CAS order-entry window
Approximately 3:30 PM-3:35 PM	Order matching and closing-price determination
Until 3:40 PM	Index and stock F&O trading continues

13. Detailed CAS process

13.1 From 3:00 PM to 3:15 PM

Regular continuous trading continues as usual. During this period, the exchange calculates the VWAP of trades executed in each CAS-eligible stock. This VWAP generally becomes the Reference Price for CAS.

If no trade occurs between 3:00 PM and 3:15 PM:

1. The stock's Last Traded Price for the day may be used as the Reference Price.
2. If the stock has not traded during the day, the previous trading day's applicable closing price may be used.
3. Where a corporate action applies, the adjusted previous close or applicable base price may be used.

13.2 From 3:15 PM to 3:20 PM

Continuous trading ends for CAS-eligible stocks and the market transitions from CTS to CAS.

- No fresh CAS orders are accepted during the transition period.
- The exchange calculates and disseminates the Reference Price.
- The CAS price band is generally fixed at plus or minus 3% of the Reference Price.
- Eligible unexecuted limit orders from CTS may be carried forward to CAS.

The following CTS orders are not eligible to be carried into CAS and may be cancelled:

- Stop-loss orders;
- Iceberg or disclosed-quantity orders;
- Orders outside the applicable CAS price band; and
- Any other order type not permitted under the CAS framework.

For stock futures, outstanding orders outside the revised applicable futures price band will be cancelled. This particular futures price-band cancellation treatment does not apply to option orders; the existing options price-band and Limit Price Protection methodology continues.

13.3 From 3:20 PM to 3:25 PM - Order Entry Session I

During this period, participants may place:

- Market orders; and
- Limit orders.

Eligible orders may be modified or cancelled in accordance with exchange rules. New and modified orders are subject to applicable margin, price-band and risk checks.

The exchange continuously disseminates information including:

- Indicative equilibrium price;
- Indicative executable or tradable quantity;
- Total cumulative buy quantity;
- Total cumulative sell quantity;
- Buy/sell imbalance quantity; and
- Indicative index closing value.

These values are indicative and can change as eligible orders are placed, modified or cancelled.

13.4 From 3:25 PM until random closure - Order Entry Session II

- Only limit orders may be placed.
- Eligible limit orders may be modified or cancelled until the random closure.
- Market orders already entered before 3:25 PM cannot be modified or cancelled.
- The session closes randomly at any time between 3:28 PM and 3:30 PM.

Random closure is intended to discourage the concentration or flooding of orders at the final second.

13.5 Approximately 3:30 PM to 3:35 PM - Matching

After the random closure, the exchange stops accepting orders, applies the equilibrium-price algorithm and matches eligible buy and sell orders. The resulting equilibrium price becomes the official closing price.

Execution warning: Placing an order during CAS does not guarantee execution. An order may be fully executed, partially executed or remain unexecuted depending on eligible matching quantity at the equilibrium price.

14. Orders permitted and restricted during CAS

Period	Orders permitted	Important condition
3:15 PM-3:20 PM	No fresh order entry	Transition period; orders entered during this period may be rejected
3:20 PM-3:25 PM	Market and limit orders	Subject to applicable modification, cancellation, margin and price-band rules
3:25 PM-random close	Limit orders only	Market orders are locked and cannot be modified or cancelled
After random close	No new orders	Exchange proceeds to equilibrium-price calculation and matching

14.1 Order types not permitted

- Stop-loss orders;
- Immediate or Cancel (IOC) orders;
- Iceberg or disclosed-quantity orders; and
- Orders outside the applicable CAS price band.

14.2 Priority of carried-forward limit orders

Eligible unexecuted limit orders carried forward from CTS generally receive higher time priority than limit orders placed during CAS. A price modification to a carried-forward limit order may change its time priority.

15. Margin and risk checks during CAS

The prevailing cash-market risk-management framework applies during CAS. New CAS orders are subject to applicable margin sufficiency checks before acceptance.

- Eligible limit orders carried forward unchanged from CTS are generally not subjected to a fresh order-level margin check solely because they were carried forward.
- If a carried-forward order is modified during CAS, the modified order is treated as a CAS order and is subject to the applicable margin check.
- All new CAS orders are subject to applicable margin, price-band and RMS checks.
- An order may be rejected where sufficient available margin or capital is not available.

16. Understanding the equilibrium price

A buyer willing to pay up to a particular price is also willing to buy at any lower eligible price. Similarly, a seller willing to accept a particular price is also willing to sell at any higher eligible price. The exchange therefore creates a cumulative view of eligible demand and supply at each potential price.

16.1 Illustrative order book

Bid price	Bid orders	Bid qty	Offer price	Offer orders	Offer qty
₹105	1	400	₹105	1	400
₹110	1	500	₹110	1	150
₹108	1	300	₹108	1	250
₹102	1	200	₹102	1	300
₹100	1	100	₹100	1	200
Total		1,500	Total		1,300

Illustrative result: Equilibrium Price: ₹105 | Shares matched: 900 | Buy imbalance: 600

16.2 Cumulative order analysis

Price	Cumulative buy qty	Cumulative sell qty	Executable volume
₹100	1,500	200	200
₹102	1,400	500	500
₹105	1,200	900	900
₹108	800	1,150	800
₹110	500	1,300	500

At ₹105, 900 shares can be matched—the highest executable volume in the illustration. Therefore, ₹105 becomes the equilibrium price and the official closing price.

16.3 Tie-breaker rules

If more than one price produces the same maximum executable quantity:

1. The price with the smaller imbalance between cumulative buy and sell quantities is selected.
2. If the imbalance is also the same, the price closest to the Reference Price is selected.
3. Any remaining tie is resolved in accordance with the applicable exchange rules.

16.4 When no equilibrium price is discovered

If an equilibrium price cannot be determined, the applicable Reference Price may become the official closing price. If the security has not traded during the day, the latest available applicable closing price may be used under exchange rules.

17. Order-matching priority

Once the equilibrium price is determined, eligible orders are broadly matched in the following sequence:

1. Eligible market orders receive priority over limit orders.
2. Eligible market orders are first matched with other market orders based on time priority.
3. Remaining market orders are matched against eligible limit orders using the applicable price-time priority.
4. Remaining eligible limit orders are matched with one another using price-time priority.

All eligible trades resulting from the auction are executed at the final equilibrium price. Complete execution is not guaranteed where sufficient matching quantity is unavailable.

18. Practical impact on traders and investors

18.1 MIS/INTRADAY traders

- Close CAS-stock MIS/INTRADAY positions before 3:05 PM.
- Close non-CAS equity MIS/INTRADAY positions before 3:20 PM.
- Close index and stock F&O MIS/INTRADAY positions before 3:25 PM.
- Do not rely on the additional exchange trading time to postpone closure of an MIS/INTRADAY position.

18.2 Delivery investors

- Check whether the stock is CAS-eligible before placing a late-day order.
- Understand that a CAS market order may execute at the final equilibrium price, not necessarily an indicative price seen when the order was entered.
- Review pending stop-loss, iceberg and other special orders before 3:15 PM.
- Maintain sufficient funds or securities and applicable margin for new or modified CAS orders.

18.3 F&O traders

- Index and stock F&O contracts remain open until 3:40 PM.
- BONANZA's MIS/INTRADAY auto square-off for index and stock F&O begins at 3:25 PM.
- Stock-futures price bands may be revised from 3:15 PM for alignment with the CAS framework.
- Outstanding stock-futures orders outside the revised band may be cancelled.
- The existing options price-band and Limit Price Protection methodology continues.

19. Client obligations and acknowledgements

By trading through BONANZA, the client is expected to:

- Monitor open positions, pending orders, available margin and applicable product type;
- Know whether a security is CAS-eligible;
- Close MIS/INTRADAY positions before the applicable auto square-off time;
- Review exchange messages, order status and cancellation or rejection notifications;
- Understand that indicative auction information may change before random closure;
- Accept that order placement does not guarantee execution or a specific execution price; and
- Bear applicable losses, charges, penalties and settlement obligations arising from trading activity, subject to applicable law.

20. RMS discretion and policy revision

BONANZA may revise auto square-off timings, order handling, risk limits and other protective measures based on SEBI directions, exchange or clearing-corporation circulars, market conditions, liquidity, volatility, system capacity or internal risk-management requirements.

Where practicable, material changes will be communicated through the BONANZA website, trading platform, email, SMS, push notification or another available communication channel.

21. Key takeaways

Subject	Policy position
CAS applicability	Initially applies to CAS-eligible/F&O stocks identified by the exchanges.
CAS-stock CTS close	Continuous trading ends at 3:15 PM, followed by CAS.
Non-CAS equity close	Continuous trading continues until 3:30 PM.
F&O market close	Index and stock F&O trading continues until 3:40 PM.
CAS-stock RMS time	MIS/INTRADAY auto square-off begins at 3:05 PM.
Other RMS time	Non-CAS equity and index/stock F&O MIS auto square-off begins at 3:25 PM.
Closing price	Determined through the equilibrium-price auction for CAS-eligible stocks.
Client action	Close intraday positions before the applicable RMS time and do not rely on auto square-off.

22. Support

For questions regarding CAS, revised market timings, order handling or open positions, please contact your Relationship Manager or write to support@BONANZA.co.

Team BONANZA

23. Regulatory and exchange references

- SEBI circular dated January 16, 2026 on introduction of the Closing Auction Session in the equity cash segment.
- NSE Circular NSE/CMTR/73362 dated March 18, 2026: Operational Guidelines and SOP on Introduction of CAS.
- NSE FAQ, Version 2.0, July 2026: Closing Auction Session in Equity and changes in Equity Derivatives.
- NSE Clearing Circular NCL/CMPT/74898 dated June 25, 2026: Risk Management for CAS.
- Applicable BSE circulars and operating guidelines for CAS effective August 3, 2026.

24. Disclaimer

This policy is intended to explain BONANZA's operational and RMS treatment following the introduction of CAS. It must be read with BONANZA's general RMS Policy, account-opening documents, client agreement, rights and obligations, applicable tariff sheet, SEBI regulations, and stock-exchange and clearing-corporation circulars, as amended from time to time.

If there is any inconsistency between this document and a binding regulatory, exchange or clearing-corporation direction, the applicable regulatory or exchange direction will prevail.