

### What is Illiquid Stock?

These are stocks that have a low volume in the equity market, and identified as illiquid by all the exchanges.

### What are the criteria for classifying the stock as Illiquid?

The Stocks are classified as Illiquid, whether trading in rolling market cycles or in trade for trade series. When all of the following conditions are matched then the stocks are classified as illiquid:

- The average daily trading volume of a scrip in a quarter is less than 10000.
- The average daily number of trades is less than 50 in a quarter.
- The scrip is classified as illiquid at all exchanges where it is traded.

### What is a periodic call auction and why are some stocks traded in this category?

It is recommended by the Secondary Market Advisory Committee (SMAC) that the trading in illiquid scrips in the equity market shall be conducted only through periodic call auction sessions, extending the call auction mechanism in pre-open session to all scrips.

### Some Other points to be taken care:

- Under the Periodic Call Auction mechanism, following sessions are held throughout the trading day, each lasting for one hour. During the first 45-minute sessions, participants (clients / dealers) can place, modify, and cancel their orders. All the orders received are then matched within the next 8 minutes, and the matched trades are confirmed accordingly. The last 7 minutes are kept as a buffer period before the next call auction session starts.
- Order type 'Limit' or 'Market' order is allowed (excluding 'Stop loss order/ basket order entry).
- Modification/cancellation of orders will be allowed during order entry period.
- The orders may remain valid throughout the trading day and un-matched orders remaining at the end of a call auction session may be moved into the next call auction session.
- In the event where the maximum buy price entered by a client (on PAN basis) is equal to or higher than the minimum sell price entered by the same client and if the same results into trades, a penalty shall be imposed on such trades. The penalty shall be calculated and charged by the exchange and collected from trading members on a daily basis. Trading members may recover such penalty from the clients.
- The implementation of Periodic Call auctions allows for a more structured and controlled trading environment for illiquid stocks, ensuring fair price discovery and reducing excessive volatility.

For more detail, refer to BSE FAQ ([PDF](#)) and NSE circular ([WEB](#)).

Session No.	Start Time- Order Placement	Order matching	Buffer period
1	09:30 AM - 10:15 AM	10:15 AM - 10:23 AM	10:24 AM to 10:30 AM
2	10:30 AM - 11:15 AM	11:15 AM - 11:23 AM	11:24 AM to 11:30 AM
3	11:30 AM - 12:15 PM	12:15 PM - 12:23 PM	12:24 PM to 12:30 PM
4	12:30 PM - 01:15 PM	01:15 PM - 1:23 PM	01:24 PM to 01:30 PM
5	01:30 PM - 02:15 PM	02:15 PM - 2:23 PM	02:24 PM to 02:30 PM
6	02:30 PM - 03:15 PM	03:15 PM - 3:23 PM	03:24 PM to 03:30 PM