

National Stock Exchange Of India Limited

Department : FUTURES & OPTIONS

Download Ref No: NSE/FAOP/41376

Date : June 21, 2019

Circular Ref. No: 75/2019

All Members,

Adjustment of Futures and Options contracts in the security GAIL

In pursuance of SEBI guidelines for adjustments to futures and options contracts on announcement of corporate action, the members are informed of the following:

GAIL (India) Limited has informed the Exchange that the Board of Directors of the Company at its meeting held on May 27, 2019 have considered and approved Issue of bonus equity shares in the proportion of 1:1, that is 1 (One) bonus equity share of Rs 10 /- each for every 1 (One) fully paid-up equity shares held and a bonus issue subject to shareholders approval. Further, the Company has fixed Record Date as July 10, 2019 for the purpose of Bonus Shares.

Symbol : GAIL
Bonus issue ratio : 1:1
Ex-Date : July 09, 2019

Adjustment factor:

Adjustment factor for Bonus issue of A: B is defined as $(A+B)/B$. In the case of GAIL, the adjustment factor is $(1+1)/1 = 2$, since the bonus issue ratio is 1:1.

Adjustments for Options Contracts:

1. Strike Price: The adjusted strike price shall be arrived at by dividing the old strike price by the adjustment factor.
2. Market Lot: The adjusted market lot shall be arrived at by multiplying the old market lot by the adjustment factor. The revised market lot would be 5334.

Adjustments for Futures Contracts:

1. Futures base price: The adjusted futures base price shall be arrived at by dividing the old futures price by the adjustment factor.
2. Market Lot: The adjusted market lot shall be arrived at by multiplying the old market lot by the adjustment factor. The revised market lot would be 5334.

An example of the adjustments described above is given in Annexure 1.

The methodology for position adjustments shall be separately intimated by NSE Clearing.

The above changes shall be effective from July 09, 2019.

Members are advised to load the updated contract.gz file in the trading application before trading on July 09, 2019. This file can be obtained from the directory faoftp/faocommon on the Extranet server.

The details of the revised option strike prices, futures prices, lot size and quantity freeze limit will be informed to members separately on July 08, 2019.

For and on behalf of
National Stock Exchange of India Limited

Khushal Shah
Associate Vice President

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Annexure-1

Option contracts before adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	GAIL	27-JUN-2019	310.00	CE	2667
OPTSTK	GAIL	27-JUN-2019	310.00	PE	2667
OPTSTK	GAIL	25-JUL-2019	320.00	CE	2667
OPTSTK	GAIL	25-JUL-2019	320.00	PE	2667

Options contracts after adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	GAIL	27-JUN-2019	155.00	CE	5334
OPTSTK	GAIL	27-JUN-2019	155.00	PE	5334
OPTSTK	GAIL	25-JUL-2019	160.00	CE	5334
OPTSTK	GAIL	25-JUL-2019	160.00	PE	5334

Futures contract before adjustment:

Instrument	Symbol	Expiry date	Futures Base Price	Market Lot
FUTSTK	GAIL	27-JUN-2019	311.25	2667

Futures contract after adjustment:

Instrument	Symbol	Expiry date	Futures Base Price#	Market Lot
FUTSTK	GAIL	27-JUN-2019	155.65	5334

If the revised strike/futures prices and the lot size on account of adjustment appear in decimal places, the strike/futures prices shall be rounded off to the nearest tick size and the lot size shall be rounded off to the nearest integer.

The figure is only an indicative value for the purpose of example.

