

National Stock Exchange Of India Limited

Department : FUTURES & OPTIONS

Download Ref No: NSE/FAOP/42955

Date : December 20, 2019

Circular Ref. No: 121/2019

All Members,

Adjustment of Futures and Options contracts in the security PEL

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

Piramal Enterprises Limited (PEL) has informed the Exchange that Board of Directors at its meeting held on October 25, 2019, has decided to issue equity shares on rights basis in the ratio of 11 : 83, i.e 11 Equity Shares for every 83 Equity Shares held at an issue price of Rs. 1300 per equity share. Further, the company has fixed Record Date as December 31, 2019 for the purpose of determining the shareholders who will be eligible to apply for the Issue.

Symbol : PEL
Rights ratio : 11:83
Ex-date : December 30, 2019

Adjustments for Options Contracts:

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

Adjustments for Futures Contracts:

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

An example for deriving the adjustment factor, revised strike /futures base price and lot size is given in Annexure-1.

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

The above changes shall be effective from December 30, 2019. Members are advised to load the updated contract.gz file in the trading application before trading on December 30, 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 December 27, 2019.

For and on behalf of
National Stock Exchange of India Limited

Khushal Shah
Associate Vice President

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Annexure-1

Underlying close price on the last cum date (P):	1637.05[#]
Issue price of the rights (S):	1300
Rights Entitlement (A):	11
Number of Existing shares (B):	83
Total Entitlement (A+B) :	94
Benefit per Right Entitlement (C) : $(P - S) \times A$	3707.55
Benefits per share (E) : $E = C / (A+B)$	39.4420
Adjustment Factor: $AF = (P-E)/P$	0.975907

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

Option contracts before adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	PEL	30-JAN-2020	1600.00	CE	302
OPTSTK	PEL	30-JAN-2020	1600.00	PE	302
OPTSTK	PEL	30-JAN-2020	1750.00	CE	302
OPTSTK	PEL	30-JAN-2020	1750.00	PE	302

Options contracts after adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	PEL	30-JAN-2020	1561.45	CE	309
OPTSTK	PEL	30-JAN-2020	1561.45	PE	309
OPTSTK	PEL	30-JAN-2020	1707.85	CE	309
OPTSTK	PEL	30-JAN-2020	1707.85	PE	309

Futures contract before adjustment:

Instrument	Symbol	Expiry date	Market Lot	Futures Base Price
FUTSTK	PEL	30-JAN-2020	302	1606.70

Futures contract after adjustment:

Instrument	Symbol	Expiry date	Market Lot	Futures Base Price
FUTSTK	PEL	30-JAN-2020	309	1568.00

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.