

NATIONAL STOCK EXCHANGE OF INDIA LIMITED**DEPARTMENT : FUTURES & OPTIONS**

Download Ref No : NSE/FAOP/34258

Date : February 23, 2017

Circular Ref. No : 11/2017

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, at its meeting held on January 25, 2017, has recommended the issuance of one bonus share of Rs. 10/- for existing three equity shares of Rs. 10/- each fully paid up, subject to the shareholders' approval. Further, the company has informed the Exchange that the Company has fixed Record Date as March 11, 2017 for the purpose of bonus issue

Symbol : GAIL
Bonus issue ratio : 1:3
Ex-Date : March 09, 2017

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 $(1+3)/3 = 1.3333$, since the bonus issue ratio is 1:3.

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 **2000**.

Adjustments for Futures Contracts:

1. Futures price: The adjusted futures 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 **2000**.

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

The methodology for position adjustments shall be separately intimated by NSCCL.

The above changes shall be effective from March 09, 2017.

Members are advised to load the updated contract.gz file in the trading application before trading on March 09, 2017. 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 March 08, 2017.

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

**Abhijeet Sontakke
Senior Manager**

Toll Free No	Fax No	Email id
1800-266-00-53	+91-22-26598155	msm@nse.co.in

Annexure-1

Option contracts before adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	GAIL	30-MAR-2017	520	CE	1500
OPTSTK	GAIL	30-MAR-2017	520	PE	1500
OPTSTK	GAIL	30-MAR-2017	530	CE	1500
OPTSTK	GAIL	30-MAR-2017	530	PE	1500

Options contracts after adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	GAIL	30-MAR-2017	390.00	CE	2000
OPTSTK	GAIL	30-MAR-2017	390.00	PE	2000
OPTSTK	GAIL	30-MAR-2017	397.50	CE	2000
OPTSTK	GAIL	30-MAR-2017	397.50	PE	2000

Futures contract before adjustment:

Instrument	Symbol	Expiry date	Futures Base Price	Market Lot
FUTSTK	GAIL	30-MAR-2017	516.00	1500

Futures contract after adjustment:

Instrument	Symbol	Expiry date	Futures Base Price#	Market Lot
FUTSTK	GAIL	30-MAR-2017	387.00	2000

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.