

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

Download Ref No : NSE/FAOP/36801

Date : January 22, 2018

Circular Ref. No : 03/2018

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 has informed the Exchange that The Committee of Directors (Rights Issue) of Piramal Enterprises Limited at its meeting held January 19, 2018 fixed rights entitlement ratio as 1 (One) Equity Share for every 23 (Twenty-three) fully paid-up Equity Shares held by the eligible shareholders of the Company as on record date and the holders of compulsorily convertible debentures. Further, the company has fixed record date as February 1, 2018 for the purpose of determining the shareholders eligible to apply for the rights issue of the company.

Symbol : PEL
Rights ratio : 1:23
Ex-date : January 31, 2018

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. The revised market lot would be **302**.

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. The revised market lot would be **302**.

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 NSCCL.

The above changes shall be effective from January 31, 2018

Members are advised to load the updated contract.gz file in the trading application before trading on January 31, 2018. 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 January 30, 2018.

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

**Abhijeet Sontakke
Senior Manager**

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Annexure-1

Underlying close price on the last cum date (P):	#2830.20
Issue price of the rights (S):	2380
Rights Entitlement (A):	1
Number of Existing shares (B):	23
Total Entitlement (A+B) :	24
Benefit per Right Entitlement (C) : (P – S) x A	450.20
Benefits per share (E) : E = C / (A+B)	18.758333
Adjustment Factor: AF= (P-E)/P	0.993372

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	22-FEB-2018	2850.00	CE	300
OPTSTK	PEL	22-FEB-2018	2850.00	PE	300
OPTSTK	PEL	22-FEB-2018	2900.00	CE	300
OPTSTK	PEL	22-FEB-2018	2900.00	PE	300

Options contracts after adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	PEL	22-FEB-2018	2831.10	CE	302
OPTSTK	PEL	22-FEB-2018	2831.10	PE	302
OPTSTK	PEL	22-FEB-2018	2880.80	CE	302
OPTSTK	PEL	22-FEB-2018	2880.80	PE	302

Futures contract before adjustment:

Instrument	Symbol	Expiry date	Market Lot	Futures Base Price
FUTSTK	PEL	22-FEB-2018	300	2804.25

Futures contract after adjustment:

Instrument	Symbol	Expiry date	Market Lot	Futures Base Price
FUTSTK	PEL	22-FEB-2018	302	2785.65

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.