

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

Download Ref No : NSE/FAOP/37171

Date : March 12, 2018

Circular Ref. No : 16/2018

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 February 12, 2018 has recommended issue of Bonus Shares in the ratio of 1 : 3 i.e. 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 fixed Record Date as March 29, 2018 for the purpose of Bonus Shares.

Symbol : GAIL  
Bonus issue ratio : 1:3  
Ex-Date : March 27, 2018

**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 Futures & 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 **2667**.

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 27, 2018.

Members are advised to load the updated contract.gz file in the trading application before trading on March 27, 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 March 26, 2018.

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

**Abhijeet Sontakke  
Senior Manager**

| <b>Toll Free No</b> | <b>Fax No</b>   | <b>Email id</b>                                  |
|---------------------|-----------------|--|
| 1800-266-00-53      | +91-22-26598155 | <a href="mailto:msm@nse.co.in">msm@nse.co.in</a> |

## Annexure-1

### Option contracts before adjustment:

| Instrument | Symbol | Expiry date | Strike | Type | Market Lot |
|------------|--------|-------------|--------|------|------------|
| OPTSTK     | GAIL   | 28-MAR-2018 | 450.00 | CE   | 2000       |
| OPTSTK     | GAIL   | 28-MAR-2018 | 450.00 | PE   | 2000       |
| OPTSTK     | GAIL   | 28-MAR-2018 | 460.00 | CE   | 2000       |
| OPTSTK     | GAIL   | 28-MAR-2018 | 460.00 | PE   | 2000       |

### Options contracts after adjustment:

| Instrument | Symbol | Expiry date | Strike | Type | Market Lot |
|------------|--------|-------------|--------|------|------------|
| OPTSTK     | GAIL   | 28-MAR-2018 | 337.50 | CE   | 2667       |
| OPTSTK     | GAIL   | 28-MAR-2018 | 337.50 | PE   | 2667       |
| OPTSTK     | GAIL   | 28-MAR-2018 | 345.00 | CE   | 2667       |
| OPTSTK     | GAIL   | 28-MAR-2018 | 345.00 | PE   | 2667       |

### Futures contract before adjustment:

| Instrument | Symbol | Expiry date | Futures Base Price | Market Lot |
|------------|--------|-------------|--------------------|------------|
| FUTSTK     | GAIL   | 28-MAR-2018 | 437.00             | 2000       |

### Futures contract after adjustment:

| Instrument | Symbol | Expiry date | Futures Base Price# | Market Lot |
|------------|--------|-------------|---------------------|------------|
| FUTSTK     | GAIL   | 28-MAR-2018 | 327.75              | 2667       |

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.