

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

Download Ref No : NSE/FAOP/35790

Date : September 12, 2017

Circular Ref. No : 95/2017

All Members,

Adjustment of Futures and Options contracts in the security BHEL

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

Bharat Heavy Electricals Limited has informed the Exchange that the Board of Directors at its meeting held on August 10, 2017, have considered and approved bonus at the ratio of 1:2, i.e. 1 Equity Shares for every 2 Equity Shares held. Further, the company has fixed Record Date as September 30, 2017 for the purpose of bonus equity share.

Symbol : BHEL
Bonus issue ratio : 1:2
Ex-Date : September 28, 2017

Adjustment factor:

Adjustment factor for Bonus issue of A: B is defined as $(A+B)/B$. In the case of BHEL, the adjustment factor is $(1+2)/2 = 1.5$, since the bonus issue ratio is 1:2.

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 **7500**.

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 **7500**.

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 September 28, 2017.

Members are advised to load the updated contract.gz file in the trading application before trading on September 28, 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 September 27, 2017.

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

**Abhijeet Sontakke
Senior Manager**

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Annexure-1

Option contracts before adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	BHEL	28-SEP-2017	135.00	CE	5000
OPTSTK	BHEL	28-SEP-2017	135.00	PE	5000
OPTSTK	BHEL	28-SEP-2017	140.00	CE	5000
OPTSTK	BHEL	28-SEP-2017	140.00	PE	5000

Options contracts after adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	BHEL	28-SEP-2017	90.00	CE	7500
OPTSTK	BHEL	28-SEP-2017	90.00	PE	7500
OPTSTK	BHEL	28-SEP-2017	93.35	CE	7500
OPTSTK	BHEL	28-SEP-2017	93.35	PE	7500

Futures contract before adjustment:

Instrument	Symbol	Expiry date	Futures Base Price	Market Lot
FUTSTK	BHEL	28-SEP-2017	132.35	5000

Futures contract after adjustment:

Instrument	Symbol	Expiry date	Futures Base Price#	Market Lot
FUTSTK	BHEL	28-SEP-2017	88.25	7500

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.