

National Stock Exchange of India Limited

Circular

Department: FUTURES & OPTIONS	
Download Ref No: NSE/FAOP/53667	Date: September 13, 2022
Circular Ref. No: 105/2022	

All Members,

Adjustment of Futures and Options contracts in the security BEL

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 Electronics Limited has informed the Exchange that the Board of Directors in its meeting held on August 4, 2022 has recommended issue of Bonus Shares in the ratio of 2:1 i.e. 2 (Two) new bonus equity shares of Re. 1/- each for every 1 (One) existing equity share of Re. 1/- each fully paid up. Further, the Company has fixed record date as September 16, 2022 to determine the eligibility of shareholders to receive bonus shares.

Symbol : BEL
Bonus issue ratio : 2:1
Ex-Date : September 15, 2022

Adjustment factor:

Adjustment factor for Bonus issue of A: B is defined as $(A+B)/B$. In the case of BEL, the adjustment factor is $(2+1)/1=3$ since the bonus issue ratio is 2:1.

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 11400.

Adjustments for Futures Contracts:

1. Futures base price: The adjusted futures base 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 11400.

National Stock Exchange of India Limited

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

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

The above changes shall be effective from September 15, 2022.

Members are advised to load the updated contract.gz file in the trading application before trading on September 15, 2022. 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 14, 2022.

For and on behalf of
National Stock Exchange of India Limited

Khushal Shah
Associate Vice President

Toll Free No	Email id
1800-266-0050 (Option 1)	msm@nse.co.in

National Stock Exchange of India Limited

Annexure-1

Option contracts before adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	BEL	29-SEP-2022	330.00	CE	3800
OPTSTK	BEL	29-SEP -2022	330.00	PE	3800
OPTSTK	BEL	27-OCT-2022	340.00	CE	3800
OPTSTK	BEL	27-OCT-2022	340.00	PE	3800

Options contracts after adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	BEL	29-SEP-2022	110.00	CE	11400
OPTSTK	BEL	29-SEP -2022	110.00	PE	11400
OPTSTK	BEL	27-OCT-2022	113.35	CE	11400
OPTSTK	BEL	27-OCT-2022	113.35	PE	11400

Futures contract before adjustment:

Instrument	Symbol	Expiry date	Futures Base Price	Market Lot
FUTSTK	BEL	29-SEP-2022	338.85	3800

Futures contract after adjustment:

Instrument	Symbol	Expiry date	Futures Base Price#	Market Lot
FUTSTK	BEL	29-SEP-2022	112.95	11400

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.