

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

Download Ref No : NSE/FAOP/28164

Date : November 26, 2014

Circular Ref. No : 086/2014

All Members,

Adjustment of Futures and Options contracts in the security PNB

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

Punjab National Bank has informed the Exchange that the Bank has fixed Record Date as December 19, 2014 for the purpose of ascertaining the eligibility of Shareholders to receive 5 (Five) Equity Shares of nominal value of Rs.2/- each in lieu of 1 (One) Equity Share of nominal value of Rs. 10/- each of the Bank on account of reduction / split in Face Value of its Equity Shares.

Symbol : PNB
Stock split ratio : 5:1
Ex-date : December 18, 2014

Adjustment factor:

Adjustment factor for Stock split of A: B is defined as (A/B). In the case of PNB, the adjustment factor is $(5/1) = 5$, since the split ratio is 5:1.

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 **1250**.

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 **1250**.

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 December 18, 2014.

Members are advised to load the updated contract.gz file in the trading application before trading on December 18, 2014. This file can be obtained from the directory faoftp/faocommon on the Extranet server.

The details of the revised option strike prices, futures prices and quantity freeze limit will be informed to members separately on December 17, 2014.

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

**Janardhan Gujran
Chief Manager**

Toll Free No	Fax No	Email id
1800-22-00-53	+91-22-26598449	fotrade@nse.co.in

Annexure-1

Option contracts before adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	PNB	24-DEC-2014	980	CE	250
OPTSTK	PNB	24-DEC-2014	980	PE	250
OPTSTK	PNB	24-DEC-2014	1020	CE	250
OPTSTK	PNB	24-DEC-2014	1020	PE	250

Options contracts after adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	PNB	24-DEC-2014	196	CE	1250
OPTSTK	PNB	24-DEC-2014	196	PE	1250
OPTSTK	PNB	24-DEC-2014	204	CE	1250
OPTSTK	PNB	24-DEC-2014	204	PE	1250

Futures contract before adjustment:

Instrument	Symbol	Expiry date	Futures Base price	Market Lot
FUTSTK	PNB	24-DEC-2014	969.70	250

Futures contract after adjustment:

Instrument	Symbol	Expiry date	Futures Base price#	Market Lot
FUTSTK	PNB	24-DEC-2014	193.95	1250

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.