

National Stock Exchange Of India Limited

Department : FUTURES & OPTIONS

Download Ref No: NSE/FAOP/40740

Date : April 12, 2019

Circular Ref. No: 51/2019

All Members,

Adjustment of Futures and Options contracts in the security BHARTIARTL

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

Bharti Airtel Limited (BHARTIARTL) has informed the Exchange that Board of Directors at its meeting held on February 28, 2019, has decided to issue equity shares on rights basis in the ratio of 19 : 67, i.e 19 Equity Shares for every 67 Equity Shares held. Issue Price is 220 per share. Further the company has fixed Record Date as April 24, 2019 for the purpose of determining the shareholders who will be eligible to apply for the Issue.

Symbol : BHARTIARTL
Rights ratio : 19:67
Ex-date : April 23, 2019

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 1845.

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 1845.

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 NSE Clearing Limited.

The above changes shall be effective from April 23, 2019

Members are advised to load the updated contract.gz file in the trading application before trading on April 23, 2019. 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 April 22, 2019.

For and on behalf of
National Stock Exchange of India Limited

Khushal Shah
Associate Vice President

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Annexure-1

Underlying close price on the last cum date (P):	341.95 [#]
Issue price of the rights (S):	220
Rights Entitlement (A):	19
Number of Existing shares (B):	67
Total Entitlement (A+B) :	86
Benefit per Right Entitlement (C) : $(P - S) \times A$	2317.05
Benefits per share (E) : $E = C / (A+B)$	26.94
Adjustment Factor: $AF = (P-E)/P$	0.921209

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	BHARTIARTL	25-APR-2019	340.00	CE	1700
OPTSTK	BHARTIARTL	25-APR-2019	340.00	PE	1700
OPTSTK	BHARTIARTL	25-APR-2019	350.00	CE	1700
OPTSTK	BHARTIARTL	25-APR-2019	350.00	PE	1700

Options contracts after adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	BHARTIARTL	25-APR-2019	313.20	CE	1845
OPTSTK	BHARTIARTL	25-APR-2019	313.20	PE	1845
OPTSTK	BHARTIARTL	25-APR-2019	322.40	CE	1845
OPTSTK	BHARTIARTL	25-APR-2019	322.40	PE	1845

Futures contract before adjustment:

Instrument	Symbol	Expiry date	Market Lot	Futures Base Price
FUTSTK	BHARTIARTL	25-APR-2019	1700	346.85

Futures contract after adjustment:

Instrument	Symbol	Expiry date	Market Lot	Futures Base Price
FUTSTK	BHARTIARTL	25-APR-2019	1845	319.50

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.