

**National Stock Exchange Of India Limited**

Department : FUTURES &amp; OPTIONS

Download Ref No: NSE/FAOP/44347

Date : May 11, 2020

Circular Ref. No: 45/2020

All Members,

## Adjustment of Futures and Options contracts in the security RELIANCE

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

Reliance Industries Limited (RELIANCE) has informed the Exchange that Board of Directors at its meeting held on April 30, 2020, has decided to issue equity shares on rights basis in the ratio of 1:15, i.e 1 Equity Share for every 15 Equity Shares held at an issue price of Rs. 1257 per equity share. Further, the company has fixed Record Date as May 14, 2020 for the purpose of determining the shareholders who will be eligible to apply for the Issue.

Symbol : RELIANCE  
Rights ratio : 01:15  
Ex-date : May 13, 2020

## 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.

## 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.

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 Clearing Corporation.

The above changes shall be effective from May 13, 2020. Members are advised to load the updated contract.gz file in the trading application before trading on May 13, 2020. 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 May 12, 2020.

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):	<b>1576.80<sup>#</sup></b>
Issue price of the rights (S):	<b>1257</b>
Rights Entitlement (A):	<b>1</b>
Number of Existing shares (B):	<b>15</b>
Total Entitlement (A+B) :	<b>16</b>
Benefit per Right Entitlement (C) : (P – S) x A	<b>319.80</b>
Benefits per share ( E ) : E = C / (A+B)	<b>19.9875</b>
Adjustment Factor: AF= (P-E)/P	<b>0.987324</b>

# 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	RELIANCE	28-MAY-2020	1500.00	CE	500
OPTSTK	RELIANCE	28-MAY-2020	1500.00	PE	500
OPTSTK	RELIANCE	28-MAY-2020	1520.00	CE	500
OPTSTK	RELIANCE	28-MAY-2020	1520.00	PE	500

Options contracts after adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	RELIANCE	28-MAY-2020	<b>1481.00</b>	CE	506
OPTSTK	RELIANCE	28-MAY-2020	<b>1481.00</b>	PE	506
OPTSTK	RELIANCE	28-MAY-2020	<b>1500.75</b>	CE	506
OPTSTK	RELIANCE	28-MAY-2020	<b>1500.75</b>	PE	506

Futures contract before adjustment:

Instrument	Symbol	Expiry date	Market Lot	Futures Base Price
FUTSTK	RELIANCE	28-MAY-2020	500	1572.65

Futures contract after adjustment:

Instrument	Symbol	Expiry date	Market Lot	Futures Base Price
FUTSTK	RELIANCE	28-MAY-2020	506	1552.70

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.