



Metropolitan Stock Exchange of India Limited

Department: Market Operations

Segment: Equity Derivatives

Circular No.: MSE/TRD/7460/2019

Date : March 26, 2019

Subject: Adjustment of Futures and Options contracts in the security Vodafone Idea Limited (IDEA)

In terms of provisions of the Rules, Bye-Laws and Regulations of the Exchange, members of the Exchange are hereby informed that, Vodafone Idea Limited (IDEA) has decided to issue equity shares on rights basis in the ratio of 87:38 i.e. 87 Equity Shares for every 38 Equity Share, at a price of Rs.12.50 per Equity Share.

In view of the above and in compliance with the SEBI guidelines, the Exchange will make the necessary adjustments for all the available Futures & Options contracts in the security IDEA w.e.f. March 29, 2019. The adjustments to be made on account of the above corporate action are given below:

Adjustment Factor:

Underlying close price on the last cum date (P): 30.25#

Issue price of the rights (S): 12.5

Number of Existing shares = 38

Rights entitlement = 87

Total number of shares = 125

Benefits per share (E) = $(30.25 - 12.5) \times 87 / 125 = 12.354$

Hence, Adjustment Factor is = $(P-E)/P$

= $(30.25 - 12.354) / 30.25 = 0.591603$

The figure is only an indicative value for the purpose of example.



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Adjustments for Futures & Option Contracts:

1. Futures price:

Adjusted futures price = Old Future price x Adjustment Factor

2. Options Strike Price:

Adjusted strike price = Old Strike price x Adjustment Factor

3. Market Lot:

$$\text{Adjusted Market Lot size} = \frac{\text{Old Market Lot Size}}{\text{Adjustment Factor}}$$

The adjusted futures price / strike will be rounded off to the nearest tick size.

The adjusted lot size will be rounded off to the nearest integer.

Members are requested to take note of the same.

For any clarifications, contact Customer Service on 022-61129010 or send email to customerservice@msei.in.

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

**Shalini Rebeiro
Asst. Vice President**