

Department: Market Operations	Segment: Equity Derivatives
Circular No: MSE/TRD/12117/2022	Date : July 29,2022

Subject: Adjustment of Futures and Options contracts in the security RECLTD

To All Members,

In terms of provisions of the Rules, Bye-Laws and Regulations of the Exchange, members of the Exchange are hereby informed that the Board of Directors of Rural Electrification Corporation Limited at its meeting held on June 30, 2022, declared one Bonus Share for every three equity share held by the equity shareholders of the Company. The record date for the purpose of issue of bonus is August 18, 2022.

In view of the above and in compliance with the SEBI guidelines, the Exchange will make necessary the adjustment of the derivatives contracts in REC Limited will be w.e.f. August 17, 2022, being the ex-date. The adjustments to be made on account of the above corporate action are given below:

Adjustment factor:

Adjustment factor for Bonus issue of A : B is defined as (A+B)/B. As the bonus issue ratio of RECLTD is 1:3, the adjustment factor is $(1+3)/3 = 1.33$, since the bonus issue ratio is 1:3.

Adjustments for Futures & Option Contracts:

1. Futures price:

$$\text{Adjusted futures price} = \frac{\text{Old Future price}}{\text{Adjustment factor}}$$

2. Options Strike Price:

$$\text{Adjusted strike price} = \frac{\text{Old Strike price}}{\text{Adjustment factor}}$$

3. Market Lot:

$$\text{Adjusted Market Lot size} = \text{Old market lot size} \times \text{Adjustment factor} = 6000 \times 1.33 = 7980.$$

The above changes will be effective from August 17, 2022. 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

Muhammed Khatri
Asst. Vice President

Metropolitan Stock Exchange of India Limited