

National Stock Exchange of India Limited

Circular

Department: FUTURES & OPTIONS	
Download Ref No: NSE/FAOP/58203	Date: September 01, 2023
Circular Ref. No: 144/2023	

All Members,

Short notice period in case of change in constituent stock in an underlying derivative index arising on account of demerger.

Exchange has received approval from SEBI to provide notice of less than four weeks prior to the date of exclusion of spun off entity from the index to the market in cases of stocks undergoing demerger and which are also part of indices on which derivatives are available.

Currently, Exchange offers trading in derivatives on 4 equity indices – Nifty 50 Index (NIFTY), Nifty Bank Index (BANKNIFTY), Nifty Financial Services index (FINNIFTY) and Nifty Midcap Select Index (MIDCPNIFTY) provided by index provider NSE Indices Ltd. As per the index methodology, the spun off business/ entity will be part of the index at constant price (which is difference between the demerged company's closing price on T-1 day wherein T is Ex-Demerger date and price derived during Special Pre-Open session (SPOS) on the Ex-Demerger date.

The spun off business/ entity upon listing on the exchange, shall be excluded from the index as per the index methodology and the exclusion date for the same will be announced by the index provider.

Accordingly, exchange will inform about the exclusion of newly listed entity (i.e., spun off business/ entity) from the index in all its indices on which derivatives are available, on announcement by the index provider.

For and on behalf of
National Stock Exchange of India Limited

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