



REVIEW OF ADJUSTMENT OF CORPORATE ACTIONS FOR STOCK OPTIONS¹

1. SEBI, vide Circular No. SMDRP/DC/CIR-8/01 dated June 21, 2001, prescribed a framework for adjustment of corporate actions for stock option contracts. Further, SEBI, vide Circular No. SMDRP/DC/CIR-15/02 dated December 18, 2002, set out principles for adjustment in derivative contracts at the time of corporate actions.
2. SEBI has been receiving representations from various stakeholders requesting to review the dividend adjustment framework for stock options. The suggestions were examined and placed before the Secondary Market Advisory Committee (SMAC) for deliberations. Based on the recommendations of SMAC, it has been decided to review the mechanism of dividend adjustment for stock options.
3. The adjustment in strike price shall be carried out in the following cases of declaration of dividends:
 - a. Dividends declared at and above 5% of the market value of the underlying stock; or
 - b. All cases of dividends, where the listed entity has sought exemption from the timeline prescribed under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. All other conditions stated in Circular No. SMDRP/DC/CIR-8/01 dated June 21, 2001 and Circular No. SMDRP/DC/CIR-15/02 dated December 18, 2002 shall remain unchanged.
5. Stock Exchanges are advised to:
 - 5.1. Take necessary steps and put in place necessary systems for implementation of the above.
 - 5.2. Make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision.
 - 5.3. Bring the provisions of this circular to the notice of the member brokers of the stock exchange and also to disseminate the same on the website.
6. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

INTERNATIONAL ROUND TABLE CONFERENCE ON “DATA FOR NEW INDIA” ON JULY 9-10, 2018²

The Ministry of Statistics & Programme Implementation (MoSPI) is organising a two-day International Round Table Conference at New Delhi during 9-10th July, 2018. The objective of the Round Table Conference is to identify innovative ideas for improving the statistical system in India, taking cue from the best practices followed in advanced countries like Canada, UK and Australia. Such a Conference is being organized in India for the first time.

The Conference will be inaugurated by Shri D.V. Sadananda Gowda, Hon'ble Union Minister of Statistics & Programme Implementation in the presence of Shri Vijay Goel, Hon'ble Minister of State

¹ Available at: https://www.sebi.gov.in/legal/circulars/jul-2018/review-of-adjustment-of-corporate-actions-for-stock-options_39455.html

² Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1538064>

and Shri K.V. Eapen, Secretary, Statistics & Programme Implementation. The event will be participated by Shri Anil Arora, Chief Statistician, Statistics Canada, Shri Jonathan Palmer, former Deputy Statistician, Australian Bureau of Statistics, Shri Junaid Ahmad, World Bank Country Director for India, statistical experts and senior officers in the Government. Shri John Pullinger, Chief Statistician of United Kingdom will participate in the conference through video conferencing.

The eminent experts of Indian Economy, Dr Bibek Debroy, Chairperson of Prime Minister's Economic Advisory Council and Member NITI Aayog, Dr. R.B. Barman, Chairperson, National Statistical Commission, Dr. Pronab Sen, former Chairperson, National Statistical Commission, and Prof. T.C.A. Anant, former Chief Statistician of India would also enrich the event by taking part in this Round Table Conference.

In the Conference, the experts from National and International agencies would deliberate on key statistical issues, such as data governance structure and capabilities, organizational issues, managing data systems in a federal structure and resource mobilization for ensuring quality statistical products to be produced. The conference is expected to suggest measures paving way for initiating the reform process in the Indian Statistical System.

Team ICSI

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