

**National Stock Exchange Of India Limited**

Department : FUTURES &amp; OPTIONS

Download Ref No: NSE/FAOP/47052

Date : January 19, 2021

Circular Ref. No: 04/2021

All Members,

## Adjustment of Futures and Options contracts in the security L&amp;TFH

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

L&T Finance Holdings Limited (L&TFH) has informed the Exchange that Board of Directors at its meeting held on January 18, 2021, has decided to issue equity shares on rights basis in the ratio of 17:74, i.e 17 Equity Share for every 74 Equity Shares held at an issue price of Rs. 65 per equity share. Further, the company has fixed Record Date as January 22, 2021 for the purpose of determining the shareholders who will be eligible to apply for the Issue.

Symbol : L&TFH  
Rights ratio : 17:74  
Ex-date : January 21, 2021

## 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 January 21, 2021. Members are advised to load the updated contract.gz file in the trading application before trading on January 21, 2021. 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 January 20, 2021.

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):	107.10 <sup>#</sup>
Issue price of the rights (S):	65
Rights Entitlement (A):	17
Number of Existing shares (B):	74
Total Entitlement (A+B) :	91
Benefit per Right Entitlement (C) : (P – S) x A	715.70
Benefits per share ( E) : E = C / (A+B)	7.864835165
Adjustment Factor: AF= (P-E)/P	0.926565

# 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	L&TFH	28-JAN-21	106	CE	8300
OPTSTK	L&TFH	28-JAN-21	106	PE	8300
OPTSTK	L&TFH	28-JAN-21	107	CE	8300
OPTSTK	L&TFH	28-JAN-21	107	PE	8300

Options contracts after adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	L&TFH	28-JAN-21	98.20	CE	8958
OPTSTK	L&TFH	28-JAN-21	98.20	PE	8958
OPTSTK	L&TFH	28-JAN-21	99.15	CE	8958
OPTSTK	L&TFH	28-JAN-21	99.15	PE	8958

Futures contract before adjustment:

Instrument	Symbol	Expiry date	Market Lot	Futures Base Price
FUTSTK	L&TFH	28-JAN-21	8300	105.90

Futures contract after adjustment:

Instrument	Symbol	Expiry date	Market Lot	Futures Base Price
FUTSTK	L&TFH	28-Jan-21	8958	98.10

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.