

National Stock Exchange Of India Limited

Department : FUTURES & OPTIONS

Download Ref No: NSE/FAOP/44945

Date : July 07, 2020

Circular Ref. No: 64/2020

All Members,

Adjustment of Futures and Options contracts in the security SRTRANSFIN

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

Shriram Transport Finance Company Limited (SRTRANSFIN) has informed the Exchange that Board of Directors at its meeting held on July 06, 2020, has decided to issue equity shares on rights basis in the ratio of 3:26, i.e 3 Equity Share for every 26 Equity Shares held at an issue price of Rs. 570 per equity share. Further, the company has fixed Record Date as July 10, 2020 for the purpose of determining the shareholders who will be eligible to apply for the Issue.

Symbol : SRTRANSFIN
Rights ratio : 03:26
Ex-date : July 09, 2020

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 July 09, 2020. Members are advised to load the updated contract.gz file in the trading application before trading on July 09, 2020. 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 July 08, 2020.

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):	723.85 [#]
Issue price of the rights (S):	570
Rights Entitlement (A):	3
Number of Existing shares (B):	26
Total Entitlement (A+B) :	29
Benefit per Right Entitlement (C) : (P – S) x A	461.55
Benefits per share (E) : E = C / (A+B)	15.91551724
Adjustment Factor: AF= (P-E)/P	0.978013

[#] 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	SRTRANSFIN	30-Jul-20	740	CE	650
OPTSTK	SRTRANSFIN	30-Jul-20	740	PE	650
OPTSTK	SRTRANSFIN	30-Jul-20	760	CE	650
OPTSTK	SRTRANSFIN	30-Jul-20	760	PE	650

Options contracts after adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	SRTRANSFIN	30-Jul-20	723.75	CE	665
OPTSTK	SRTRANSFIN	30-Jul-20	723.75	PE	665
OPTSTK	SRTRANSFIN	30-Jul-20	743.30	CE	665
OPTSTK	SRTRANSFIN	30-Jul-20	743.30	PE	665

Futures contract before adjustment:

Instrument	Symbol	Expiry date	Market Lot	Futures Base Price
FUTSTK	SRTRANSFIN	30-Jul-20	650	725.45

Futures contract after adjustment:

Instrument	Symbol	Expiry date	Market Lot	Futures Base Price
FUTSTK	SRTRANSFIN	30-Jul-20	665	709.50

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.