

NATIONAL STOCK EXCHANGE OF INDIA LIMITED**DEPARTMENT : FUTURES & OPTIONS**

Download Ref No : NSE/FAOP/29107

Date : March 12, 2015

Circular Ref. No : 014/2015

All Members,

Adjustment of Futures and Options contracts in the security TECHM

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

Tech Mahindra Limited has informed the Exchange that the Company has fixed Record Date as March 20, 2015 for the purpose of ascertaining the entitlement of the Members for the Issue of Bonus shares in the ratio of 1:1 i.e. one equity share for every one equity share held and subdivision of the shares in the ratio of 2:1 i.e. two equity shares of Rs.5/- each for every one equity share of Rs.10/- each held.

Symbol : TECHM
Bonus issue ratio : 1:1
Stock split ratio : 2:1
Ex-Date : March 19, 2015

Adjustment factor:

Adjustment factor for Bonus issue of A: B is defined as $(A+B)/B$. In the case of TECHM, the adjustment factor is $(1+1)/1 = 2$, since the bonus issue ratio is 1:1.

Adjustment factor for Split of shares of A:B is defined as A/B . In the case of TECHM the adjustment factor is $2/1 = 2$, since the split ratio is 2:1.

Therefore the final adjustment factor for the Bonus and Split in the security in the above ratios will be: $2 \times 2 = 4$

Adjustments for Options Contracts:

1. Strike Price: The adjusted strike price shall be arrived at by dividing the old strike price by the adjustment factor.
2. Market Lot: The adjusted market lot shall be arrived at by multiplying the old market lot by the adjustment factor. The revised market lot would be **500**.

Adjustments for Futures Contracts:

1. Futures price: The adjusted futures price shall be arrived at by dividing the old futures price by the adjustment factor.

2. Market Lot: The adjusted market lot shall be arrived at by multiplying the old market lot by the adjustment factor. The revised market lot would be **500**.

An example of the adjustments described above is given in Annexure 1.

The methodology for position adjustments shall be separately intimated by NSCCL.

The above changes shall be effective from March 19, 2015.

Members are advised to load the updated contract.gz file in the trading application before trading on March 19, 2015, 2015. 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 March 18, 2015.

**For and on behalf of
National Stock Exchange of India Limited**

**Janardhan Gujran
Chief Manager**

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Annexure-1

Option contracts before adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	TECHM	26-MAR-2015	2950	CE	125
OPTSTK	TECHM	26-MAR-2015	2950	PE	125
OPTSTK	TECHM	26-MAR-2015	3000	CE	125
OPTSTK	TECHM	26-MAR-2015	3000	PE	125

Options contracts after adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	TECHM	26-MAR-2015	737.50	CE	500
OPTSTK	TECHM	26-MAR-2015	737.50	PE	500
OPTSTK	TECHM	26-MAR-2015	750	CE	500
OPTSTK	TECHM	26-MAR-2015	750	PE	500

Futures contract before adjustment:

Instrument	Symbol	Expiry date	Futures Base Price	Market Lot
FUTSTK	TECHM	26-MAR-2015	2929.95	125

Futures contract after adjustment:

Instrument	Symbol	Expiry date	Futures Base Price#	Market Lot
FUTSTK	TECHM	26-MAR-2015	732.50	500

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.

The figure is only an indicative value for the purpose of example.