

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

Download Ref No : NSE/FAOP/29271

Date : March 26, 2015

Circular Ref. No : 021/2015

All Members,

**Adjustment of Futures and Options contracts in the security Tata Motors Limited**

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

Tata Motors Limited has informed the Exchange that the Board of Directors of the Company at its meeting held on March 25, 2015, has approved rights issue of 6 fully paid-up Ordinary Shares for every 109 fully paid-up Ordinary Shares held as on the book closure date. Issue Price - Rs. 450 per Ordinary Share (including premium of Rs. 448 per Ordinary Share.)

Symbol : TATAMOTORS  
Rights ratio : 6:109  
Ex-date : April 06, 2015

**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 NSCCL.**

The above changes shall be effective from April 06, 2015.

Members are advised to load the updated contract.gz file in the trading application before trading on April 06, 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 April 01, 2015.

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

**Janardhan Gujran  
Chief Manager**

| <b>Toll Free No</b> | <b>Fax No</b>   | <b>Email id</b>  |
|---------------------|-----------------|--|
| 1800-22-00-53       | +91-22-26598449 | <a href="mailto:fotrade@nse.co.in">fotrade@nse.co.in</a> |

## Annexure-1

Underlying close price on the last cum date (P): 541.85<sup>#</sup>

Issue price of the rights (S) : 450

Adjustment factor:

Number of Existing shares = 109

Rights Entitlement

(Rights to subscribe) = 6

Total Entitlement = 115

Benefit per Right Entitlement

= (P – S) x Rights Entitlement

= (541.85-450) x 6 = Rs.551.10

Benefits per share (E)

= (551.10/115) = 4.792173

Hence, Adjustment Factor is

= (P-E)/P

= (541.85-4.792173) / 541.85

= **0.991156**

**Option contracts before adjustment:**

| Instrument | Symbol     | Expiry date | Strike | Type | Market Lot |
|------------|------------|-------------|--------|------|------------|
| OPTSTK     | TATAMOTORS | 30-APR-2015 | 500    | CE   | 500        |
| OPTSTK     | TATAMOTORS | 30-APR-2015 | 500    | PE   | 500        |
| OPTSTK     | TATAMOTORS | 30-APR-2015 | 510    | CE   | 500        |
| OPTSTK     | TATAMOTORS | 30-APR-2015 | 510    | PE   | 500        |

**Options contracts after adjustment:**

| Instrument | Symbol     | Expiry date | Strike | Type | Market Lot |
|------------|------------|-------------|--------|------|------------|
| OPTSTK     | TATAMOTORS | 30-APR-2015 | 495.60 | CE   | 504        |
| OPTSTK     | TATAMOTORS | 30-APR-2015 | 495.60 | PE   | 504        |
| OPTSTK     | TATAMOTORS | 30-APR-2015 | 505.50 | CE   | 504        |
| OPTSTK     | TATAMOTORS | 30-APR-2015 | 505.50 | PE   | 504        |

**Futures contract before adjustment:**

| <b>Instrument</b> | <b>Symbol</b> | <b>Expiry date</b> | <b>Market Lot</b> | <b>Futures Base Price</b> |
|-------------------|---------------|--------------------|-------------------|---------------------------|
| FUTSTK            | TATAMOTORS    | 30-APR-2015        | 500               | 544.30                    |

**Futures contract after adjustment:**

| <b>Instrument</b> | <b>Symbol</b> | <b>Expiry date</b> | <b>Market Lot</b> | <b>Futures Base Price#</b> |
|-------------------|---------------|--------------------|-------------------|----------------------------|
| FUTSTK            | TATAMOTORS    | 30-APR-2015        | 504               | 539.50                     |

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.

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