

National Stock Exchange of India Limited

Circular

Department: FUTURES & OPTIONS	
Download Ref No: NSE/FAOP/53194	Date: August 03, 2022
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All Members,

Adjustment of Futures and Options contracts in the security RECLTD - Update

In partial modification to Exchange circular NSE/FAOP/53125 dated July 28, 2022 regarding adjustment of futures and options contracts in the security RECLTD, members are requested to note the updated adjustment factor as below:-

Adjustment factor:

Adjustment factor for Bonus issue of A: B is defined as $(A+B)/B$. In the case of RECLTD, the adjustment factor is $(1+3)/3=1.3333$ since the bonus issue ratio is 1:3.

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 8000.

Adjustments for Futures Contracts:

1. Futures base price: The adjusted futures base 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 8000.

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

The methodology for position adjustments shall be separately intimated by respective Clearing Corporation.

The above changes shall be effective from August 17, 2022.

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Members are advised to load the updated contract.gz file in the trading application before trading on August 17, 2022. 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 August 16, 2022.

For and on behalf of
National Stock Exchange of India Limited

Khushal Shah
Associate Vice President

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Annexure-1

Option contracts before adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	RECLTD	25-AUG-2022	133.00	CE	6000
OPTSTK	RECLTD	25-AUG-2022	133.00	PE	6000
OPTSTK	RECLTD	29-SEP-2022	134.00	CE	6000
OPTSTK	RECLTD	29-SEP -2022	134.00	PE	6000

Options contracts after adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	RECLTD	25-AUG-2022	99.75	CE	8000
OPTSTK	RECLTD	25-AUG-2022	99.75	PE	8000
OPTSTK	RECLTD	29-SEP-2022	100.50	CE	8000
OPTSTK	RECLTD	29-SEP -2022	100.50	PE	8000

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Futures contract before adjustment:

Instrument	Symbol	Expiry date	Futures Base Price	Market Lot
FUTSTK	RECLTD	25-AUG-2022	134.10	6000

Futures contract after adjustment:

Instrument	Symbol	Expiry date	Futures Base Price#	Market Lot
FUTSTK	RECLTD	25-AUG-2022	100.60	8000

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.