

National Stock Exchange Of India Limited**Department : FUTURES & OPTIONS**

Download Ref No: NSE/FAOP/39392

Date : November 13, 2018

Circular Ref. No: 109/2018

All Members,

Adjustment of Futures and Options contracts in the security HCC

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

Hindustan Construction Company Limited has informed the Exchange that Right Issue Committee at its meeting held on November 12, 2018, has decided to issue equity shares on rights basis in the ratio of 49 : 100, i.e 49 Equity Shares for every 100 Equity Shares held. Issue Price is 10 per share (Including a premium of Rs. 9 per equity share). Further, the company has fixed record date as November 22, 2018 for the purpose of determining the shareholders eligible to apply for the rights issue of the company.

Symbol : HCC
Rights ratio : 49:100
Ex-date : November 20, 2018

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. The revised market lot would be **19830**.

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. The revised market lot would be **19830**.

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 NSE Clearing Limited.

The above changes shall be effective from November 20, 2018

Members are advised to load the updated contract.gz file in the trading application before trading on November 20, 2018. This file can be obtained from the directory faofp/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 November 19, 2018.

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

**Abhijeet Sontakke
Chief Manager**

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Annexure-1

Underlying close price on the last cum date (P):	#13.9
Issue price of the rights (S):	10
Rights Entitlement (A):	49
Number of Existing shares (B):	100
Total Entitlement (A+B) :	149
Benefit per Right Entitlement (C) : $(P - S) \times A$	191.1
Benefits per share (E) : $E = C / (A+B)$	1.28255
Adjustment Factor: $AF = (P-E)/P$	0.90773

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	HCC	29-NOV-2018	13.00	CE	18000
OPTSTK	HCC	29-NOV-2018	13.00	PE	18000
OPTSTK	HCC	29-NOV-2018	14.00	CE	18000
OPTSTK	HCC	29-NOV-2018	14.00	PE	18000

Options contracts after adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	HCC	29-NOV-2018	11.80	CE	19830
OPTSTK	HCC	29-NOV-2018	11.80	PE	19830
OPTSTK	HCC	29-NOV-2018	12.70	CE	19830
OPTSTK	HCC	29-NOV-2018	12.70	PE	19830

Futures contract before adjustment:

Instrument	Symbol	Expiry date	Market Lot	Futures Base Price
FUTSTK	HCC	29-NOV-2018	18000	14.00

Futures contract after adjustment:

Instrument	Symbol	Expiry date	Market Lot	Futures Base Price
FUTSTK	HCC	29-NOV-2018	19830	12.70

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.