

National Stock Exchange Of India Limited

Department : FUTURES & OPTIONS

Download Ref No: NSE/FAOP/41878

Date : August 14, 2019

Circular Ref. No: 93/2019

All Members,

Adjustment of Futures and Options contracts in the security HDFCBANK

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

HDFC Bank Limited has informed the Exchange that the Board of Directors at its meeting held on May 22, 2019, has considered and approved subdivision of Equity Shares of the Bank from one (1) Equity Share of face value of Rs. 2/- each to two (2) Equity Shares of face value of Rs. 1/- each. Further the Company has fixed Record Date as September 20, 2019 for the purpose of Subdivision of shares.

Symbol : HDFCBANK

Stock split ratio : 2:1

Ex-date : September 19, 2019

Adjustment factor:

Adjustment factor for Stock split of A: B is defined as (A/B). In the case of HDFCBANK, the adjustment factor is $(2/1) = 2$, since the split ratio is 2:1.

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 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.

The above changes shall be effective from September 19, 2019.

Members are advised to load the updated contract.gz file in the trading application before trading on September 19, 2019. This file can be obtained from the directory faoftp/faocommon on the Extranet server.

The details of the revised option strike prices, futures prices and quantity freeze limit will be informed to members separately on September 18, 2019.

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	HDFCBANK	29-AUG-2019	2220.00	CE	250
OPTSTK	HDFCBANK	29-AUG-2019	2240.00	PE	250
OPTSTK	HDFCBANK	26-SEP-2019	2220.00	CE	250
OPTSTK	HDFCBANK	26-SEP-2019	2240.00	PE	250

Options contracts after adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	HDFCBANK	29-AUG-2019	1110.00	CE	500
OPTSTK	HDFCBANK	29-AUG-2019	1120.00	PE	500
OPTSTK	HDFCBANK	26-SEP-2019	1110.00	CE	500
OPTSTK	HDFCBANK	26-SEP-2019	1120.00	PE	500

Futures contract before adjustment:

Instrument	Symbol	Expiry date	Future Base price	Market Lot
FUTSTK	HDFCBANK	29-AUG-2019	2218.70	250

Futures contract after adjustment:

Instrument	Symbol	Expiry date	Future Base price#	Market Lot
FUTSTK	HDFCBANK	29-AUG-2019	1109.35	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.

