



Metropolitan Stock Exchange of India Limited

Department: Market Operation

Segment: Equity Derivatives

Circular No: MSE/TRD/5212/2017

Date : Jun 07, 2017

Subject: Adjustment of Futures and Options contracts in the security LT

To All Members,

In terms of provisions of the Rules, Bye-Laws and Regulations of the Exchange, members of the Exchange are hereby informed that Larsen & Toubro Limited (LT) has fixed Record Date as July 14, 2017 for the purpose of issue of Fully Paid Bonus Shares in the ratio of 1:2 i.e. (One) Bonus Equity Shares of Rs.2 Each for every 2 (two) existing equity shares of Rs.2 each

In view of the above and in compliance with the SEBI guidelines, the Exchange will make the necessary adjustments for all the available Futures & Options contracts on the security LT w.e.f. July 13, 2017, being the Ex-date. The adjustments to be made on account of the above corporate action are given below:

Adjustment factor:

Adjustment factor for Bonus issue of A:B is defined as $(A+B)/B$. As the bonus issue ratio of LT is 1:2, the adjustment factor is $(1+2)/2 = 1.5$

Adjustments for Futures & Option Contracts:

1. Futures price:

$$\text{Adjusted futures price} = \frac{\text{Old Future price}}{\text{Adjustment factor}}$$

2. Options Strike Price:

$$\text{Adjusted strike price} = \frac{\text{Old Strike price}}{\text{Adjustment factor}}$$

3. Market Lot:

$$\text{Adjusted Market Lot size} = \text{Old market lot size} \times \text{Adjustment factor} = 500 \times 1.5 = 750.$$

4. Open Position:

$$\text{Adjusted Position} = \text{Old position} \times \text{Adjustment factor}.$$

The above changes will be effective from July 13, 2017. Members are requested to take note of the same.

For any clarifications, contact Customer Service on 022-61129010 or send email to customerservice@msei.in.

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

**Shalini Rebeiro
Sr. Manager**