



## Metropolitan Stock Exchange of India Limited

Department: Market Operation

Segment: Equity Derivatives

Circular No: MSE/TRD/5756/2017

Date : November 14, 2017

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**Subject: Adjustment of Futures and Options contracts in the security Mahindra & Mahindra Limited (M&M)**

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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 Mahindra & Mahindra Limited (M&M) has fixed Record Date as December 23, 2017 for the purpose of allotment of Bonus Shares in the proportion of 1 (One) Bonus Equity Share of Rs. 5/- each, for every 1(One) existing Equity Share of Rs. 5/- each.

In view of the above and in compliance with the SEBI guidelines, the Exchange will make necessary adjustments for all the available Futures & Options contracts in the security M&M w.e.f. December 21, 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 M&M is 1:1, the adjustment factor is  $(1+1)/1 = 2$

**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:

$$\text{Adjusted Market Lot size} = \text{Old market lot size} \times \text{Adjustment factor} = 500 \times 2 = 1000.$$

4. Open Position:

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

The above changes will be effective from December 21, 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](mailto:customerservice@msei.in).

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

**Shalini Rebeiro  
Sr. Manager**