

NATIONAL STOCK EXCHANGE OF INDIA LIMITED**DEPARTMENT : FUTURES & OPTIONS**

Download Ref No : NSE/FAOP/33842

Date : December 19, 2016

Circular Ref. No : 111/2016

All Members,

Adjustment of Futures and Options contracts in the security OIL

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

Oil India Limited has informed the Exchange that the Company has fixed Record Date as January 13, 2017 for the purpose of ascertaining the eligibility of shareholders for issuance of Bonus shares in the ratio of 1:3 (i.e. 1(one) bonus equity shares of Rs .10/- each for every 3 (three) existing fully paid up equity share of Rs 10/- each, subject to the approval of shareholders.

Symbol : OIL
Bonus issue ratio : 1:3
Ex-Date : January 12, 2017

Adjustment factor:

Adjustment factor for Bonus issue of A: B is defined as $(A+B)/B$. In the case of OIL, 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 **2266**.

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 **2266**.

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

The methodology for position adjustments shall be separately intimated by NSCCL.

The above changes shall be effective from: January 12, 2017.

Members are advised to load the updated contract.gz file in the trading application before trading on January 12, 2017. 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: January 11, 2017

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

**Abhijeet Sontakke
Senior Manager**

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Annexure-1

Option contracts before adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	OIL	29-DEC-2016	430	CE	1700
OPTSTK	OIL	29-DEC-2016	430	PE	1700
OPTSTK	OIL	29-DEC-2016	450	CE	1700
OPTSTK	OIL	29-DEC-2016	450	PE	1700

Options contracts after adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	OIL	29-DEC-2016	322.50	CE	2266
OPTSTK	OIL	29-DEC-2016	322.50	PE	2266
OPTSTK	OIL	29-DEC-2016	337.50	CE	2266
OPTSTK	OIL	29-DEC-2016	337.50	PE	2266

Futures contract before adjustment:

Instrument	Symbol	Expiry date	Futures Base Price	Market Lot
FUTSTK	OIL	29-DEC-2016	439.70	1700

Futures contract after adjustment:

Instrument	Symbol	Expiry date	Futures Base Price#	Market Lot
FUTSTK	OIL	29-DEC-2016	329.80	2266

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.