

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

Download Ref No : NSE/FAOP/37088

Date : March 01, 2018

Circular Ref. No : 13/2018

All Members,

Adjustment of Futures and Options contracts in the security IOC

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

Indian Oil Corporation Limited has informed the Exchange that the Board of Directors of the Company at its meeting held on January 30, 2018 has recommended issue of Bonus Shares in the ratio of 1 : 1 i.e. 1(One) new equity bonus share of Rs.10/- each for every 1 (One) existing equity share of Rs.10/- each fully paid up subject to the approval of the shareholders. Further, the Company has fixed Record Date as March 17, 2018 for the purpose of Bonus Shares.

Symbol : IOC
Bonus issue ratio : 1:1
Ex-Date : March 15, 2018

Adjustment factor:

Adjustment factor for Bonus issue of A: B is defined as $(A+B)/B$. In the case of IOC, the adjustment factor is $(1+1)/1 = 2$, since the bonus issue ratio is 1:1.

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 **3000**.

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 **3000**.

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 March 15, 2018.

Members are advised to load the updated contract.gz file in the trading application before trading on March 15, 2018. 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 March 14, 2018.

**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	IOC	28-MAR-2018	390.00	CE	1500
OPTSTK	IOC	28-MAR-2018	390.00	PE	1500
OPTSTK	IOC	28-MAR-2018	400.00	CE	1500
OPTSTK	IOC	28-MAR-2018	400.00	PE	1500

Options contracts after adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	IOC	28-MAR-2018	195.00	CE	3000
OPTSTK	IOC	28-MAR-2018	195.00	PE	3000
OPTSTK	IOC	28-MAR-2018	200.00	CE	3000
OPTSTK	IOC	28-MAR-2018	200.00	PE	3000

Futures contract before adjustment:

Instrument	Symbol	Expiry date	Futures Base Price	Market Lot
FUTSTK	IOC	28-MAR-2018	378.10	1500

Futures contract after adjustment:

Instrument	Symbol	Expiry date	Futures Base Price#	Market Lot
FUTSTK	IOC	28-MAR-2018	189.05	3000

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.