

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

Download Ref No : NSE/FAOP/32511

Date : June 03, 2016

Circular Ref. No : 049/2016

All Members,

**Adjustment of Futures and Options contracts in the security ITC Limited**

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

ITC Limited has informed the Exchange that the Company has fixed Record Date as July 04, 2016 to ascertain the Members entitled to receive Bonus Equity Shares of the Company.

Symbol : ITC  
Bonus issue ratio : 1:2  
Ex-Date : July 01, 2016

**Adjustment factor:**

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

**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 **2400**.

**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 **2400**.

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 July 01, 2016.

Members are advised to load the updated contract.gz file in the trading application before trading on July 01, 2016. 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 June 30, 2016.

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

**Khushal Shah  
Chief Manager**

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## Annexure-1

### Option contracts before adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	ITC	28-JUL-16	330	CE	1600
OPTSTK	ITC	28-JUL-16	330	PE	1600
OPTSTK	ITC	28-JUL-16	360	CE	1600
OPTSTK	ITC	28-JUL-16	360	PE	1600

### Options contracts after adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	ITC	28-JUL-16	220	CE	2400
OPTSTK	ITC	28-JUL-16	220	PE	2400
OPTSTK	ITC	28-JUL-16	240	CE	2400
OPTSTK	ITC	28-JUL-16	240	PE	2400

### Futures contract before adjustment:

Instrument	Symbol	Expiry date	Futures Base Price	Market Lot
FUTSTK	ITC	28-JUL-2016	360.40	1600

### Futures contract after adjustment:

Instrument	Symbol	Expiry date	Futures Base Price#	Market Lot
FUTSTK	ITC	28-JUL-2016	240.25	2400

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.