

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

Download Ref No : NSE/FAOP/34992

Date : May 31, 2017

Circular Ref. No : 48/2017

All Members,

Adjustment of Futures and Options contracts in the security HINDPETRO

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

Hindustan Petroleum Corporation Limited has informed the Exchange that the Board of Directors of the Company at its meeting held on May 26, 2017 have inter-alia, recommended Capitalization of Reserve and issue of Fully Paid Bonus Shares in the ratio of 1 (One) Bonus Equity Shares of Rs.10 Each for every 2 (two) existing equity shares of Rs.10 each subject to approval of the shareholders which would be taken through the process of Postal Ballot. Further, the Company has fixed Record Date as July 12, 2017 for the purpose of Bonus Shares.

Symbol : HINDPETRO
Bonus issue ratio : 1:2
Ex-Date : July 11, 2017

Adjustment factor:

Adjustment factor for Bonus issue of A: B is defined as $(A+B)/B$. In the case of HINDPETRO, 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 **1575**.

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 **1575**.

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 11, 2017.

Members are advised to load the updated contract.gz file in the trading application before trading on July 11, 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 July 10, 2017.

**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	HINDPETRO	27-JUL-2017	560.00	CE	1050
OPTSTK	HINDPETRO	27-JUL-2017	560.00	PE	1050
OPTSTK	HINDPETRO	27-JUL-2017	580.00	CE	1050
OPTSTK	HINDPETRO	27-JUL-2017	580.00	PE	1050

Options contracts after adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	HINDPETRO	27-JUL-2017	373.35	CE	1575
OPTSTK	HINDPETRO	27-JUL-2017	373.35	PE	1575
OPTSTK	HINDPETRO	27-JUL-2017	386.65	CE	1575
OPTSTK	HINDPETRO	27-JUL-2017	386.65	PE	1575

Futures contract before adjustment:

Instrument	Symbol	Expiry date	Futures Base Price	Market Lot
FUTSTK	HINDPETRO	27-JUL-2017	556.40	1050

Futures contract after adjustment:

Instrument	Symbol	Expiry date	Futures Base Price#	Market Lot
FUTSTK	HINDPETRO	27-JUL-2017	370.95	1575

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.