

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

Download Ref No : NSE/FAOP/37196

Date : March 14, 2018

Circular Ref. No : 19/2018

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 Board of Directors of the Company at its meeting held on February 09, 2018 has recommended the issue of bonus shares in the ratio of 1 (one) equity share of Rs10 each for every 2 (two) existing equity shares of Rs10 each, which is subject to approval of the shareholders of the Company. Further, the Company has fixed Record Date as March 29, 2018 for the purpose of Bonus Shares.

Symbol : OIL
Bonus issue ratio : 1:2
Ex-Date : March 27, 2018

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 $(1+2)/2 = 1.5$, 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 **3399**.

Adjustments for Futures Contracts:

1. Futures base price: The adjusted futures base 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 **3399**.

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 27, 2018.

Members are advised to load the updated contract.gz file in the trading application before trading on March 27, 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 26, 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	OIL	28-MAR-2018	350.00	CE	2266
OPTSTK	OIL	28-MAR-2018	350.00	PE	2266
OPTSTK	OIL	28-MAR-2018	360.00	CE	2266
OPTSTK	OIL	28-MAR-2018	360.00	PE	2266

Options contracts after adjustment:

Instrument	Symbol	Expiry date	Strike	Type	Market Lot
OPTSTK	OIL	28-MAR-2018	233.35	CE	3399
OPTSTK	OIL	28-MAR-2018	233.35	PE	3399
OPTSTK	OIL	28-MAR-2018	240.00	CE	3399
OPTSTK	OIL	28-MAR-2018	240.00	PE	3399

Futures contract before adjustment:

Instrument	Symbol	Expiry date	Futures Base Price	Market Lot
FUTSTK	OIL	28-MAR-2018	327.25	2266

Futures contract after adjustment:

Instrument	Symbol	Expiry date	Futures Base Price#	Market Lot
FUTSTK	OIL	28-MAR-2018	218.15	3399

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.