



Metropolitan Stock Exchange of India Limited

Department: Market Operations

Segment: Equity Derivatives

Circular No: MSE/TRD/6080/2018

Date : March 05, 2018

Subject: Adjustment of Futures and Options contracts in the security Indian Oil Corporation Limited (IOC)

To All Members,

In terms of provisions of the Rules, Bye-Laws and Regulations of the Exchange, members of the Exchange are hereby informed that Indian Oil Corporation Limited (IOC) has fixed Record Date as March 17, 2018 for the purpose of allotment of Bonus Shares in the ratio of 1 (One) Bonus Equity Share of Rs.10/- each, for every 1(One) existing Equity Share of Rs.10/- each.

In view of the above and in compliance with the SEBI guidelines, the Exchange will make necessary adjustments for all the available Futures & Options contracts in the security IOC w.e.f. March 15, 2018, being the Ex-date. The adjustments to be made on account of the above corporate action are given below:

Adjustment factor:

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

Adjustments for Futures & Option Contracts:

1. Futures price:

$$\text{Adjusted futures price} = \frac{\text{Old Future price}}{\text{Adjustment factor}}$$

2. Options Strike Price:

$$\text{Adjusted strike price} = \frac{\text{Old Strike price}}{\text{Adjustment factor}}$$

3. Market Lot:

$$\text{Adjusted Market Lot size} = \text{Old market lot size} \times \text{Adjustment factor} = 1500 \times 2 = 3000.$$

4. Open Position:

$$\text{Adjusted Position} = \text{Old position} \times \text{Adjustment factor}.$$

The above changes will be effective from March 15, 2018. Members are requested to take note of the same.

For any clarifications, contact Customer Service on 022-61129010 or send email to customerservice@msei.in.

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

**Shalini Rebeiro
Sr. Manager**