

**GENERAL MANAGER  
DERIVATIVES AND NEW PRODUCTS DEPARTMENT**

SEBI/DNPD/Cir- 50/2010

January 8, 2010

To  
Managing Director / Chief Executive Officer  
Stock Exchanges / Equity Derivatives Segment of Stock Exchanges  
and their Clearing Houses/Corporations

Dear Sir,

**SUB: Standardized lot size for derivative contracts on individual securities**

In consultation with Stock Exchanges, it has been decided to standardize the lot size for derivative contracts on individual securities as under:

Price Band (Rs.)	Contract Size	
	Lot Size (No. of units of underlying)	Value (Rs. lakh)
≥1601	125	≥ 2
801 - 1600	250	≥ 2 ≤ 4
401 - 800	500	
201 - 400	1,000	
101 - 200	2,000	
51 - 100	4,000	
25 - 50	8,000	
< 25	A multiple of 1000	

Explanation: The lot size for an underlying with a price of Rs. 250, i.e., in the price band of Rs. 201-400, shall be 1000 units.

2. The Stock Exchanges shall review the lot size once in every 6 months based on the average of the closing price of the underlying for last one month and

wherever warranted, revise the lot size by giving an advance notice of atleast 2 weeks to the market. If the revised lot size is higher than the existing one, it will be effective for only new contracts. In case of corporate action, the revision in lot size of existing contracts shall be carried out as per SEBI circular SMDRP/DC/CIR-15/02 dated December 18, 2002.

3. The Stock Exchanges shall ensure that the lot size is same for an underlying traded across Exchanges.

4. This Circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and shall come into effect from March 31, 2010.

5. This Circular supersedes SEBI circular SEBI/DNPD/Cir-20/2004/02/23 dated February 23, 2004.

6. This Circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in)., under the category "Derivatives- Circulars".

Yours faithfully,

**Sujit Prasad**