

Futures & Options Segment

May 12, 2017

Circular No. : MSEI/C&S/EDS/5130/2017
 Ref. No. : MCCIL/EDS/814/2017

Sub: Adjustment of Futures and Options contracts in the security ICICIBANK LIMITED

In terms of the provisions of the Rules, Bye-Laws and Regulations of the Metropolitan Clearing Corporation of India Ltd. (MCCIL), SEBI circular reference SMDRP/DC/CIR-8/01 dated June 21, 2001, MCCIL Circular No.: MCX-SX/C&S/F&O/1003/2013 dated February 07, 2013 and MSEI Circular No.: MSEI/EDS/TRD/5129/2017 dated May 12, 2017, members are hereby informed the procedure for adjustment of Futures and Options contracts in the underlying security ICICIBANK, on account of Bonus Issue in the ratio of 1:10.

The 'adjustment factor' for the corporate action shall be 1.1 and the ex-date for the corporate action shall be June 20, 2017. The following action would be taken by MCCIL in this regard:-

1. Futures Contracts Adjustment:

All open positions in Futures contracts with the underlying security as ICICI BANK LTD existing after End of day on June 19, 2017 will be adjusted as under:

Positions: The adjusted positions shall be arrived at by multiplying number of contracts in the pre adjusted position by the adjusted market lot. The adjusted market lot shall be as per the Circular No.: MSEI/EDS/TRD/5129/2017 dated May 12, 2017.

Futures Price: Adjusted futures price shall be arrived at by dividing the settlement price of relevant futures contracts on June 19, 2017 by 'adjustment factor'.

Adjusted value: The Adjusted value/carry forward value shall be computed by multiplying pre adjusted futures positions with pre adjusted settlement price.

Begin of day margins on June 20, 2017 would be computed for the futures contract with underlying as 'ICICIBANK' based on the adjusted carry forward value. Subsequently, intra-day margins would be computed based on the relevant traded prices at the time the intra-day span risk parameter files are generated.

An example of adjustment of futures contract is detailed hereunder:

CM	TM	Client Code	Expiry Date	Position(in units)*	
				Old	New
CM1	TM1	Cli1	29/06/2017	2500	2750
CM2	TM2	Cli2	29/06/2017	(-)3000	(-)3300

* '-' indicates sell

2. Options Contracts Adjustment:

All open positions in Options contracts with the underlying security as ICICIBANK, after End of Day on June 19, 2017 shall be adjusted as under:

Strike Price: The adjusted Strike Price shall be arrived at by dividing the old strike price by the 'adjustment factor' i.e. 1.1.

Positions: The adjusted positions shall be arrived at by multiplying number of contracts in the pre adjusted position by the adjusted market lot. The adjusted market lot shall be as per Circular no. MSEI/EDS/TRD/5129/2017 dated May 12, 2017.

An example of the adjustments in option contracts is detailed hereunder:

CM	TM	Client Code	Option Type	Expiry Date	Strike Price		Position(in units)*	
					Old	New	Old	New
CM1	TM1	Cli1	CE	29/06/2017	305	277.25	2500	2750
CM2	TM2	Cli2	PE	29/06/2017	305	277.25	(-)2500	(-)2750
CM3	TM3	Cli3	PE	29/06/2017	310	281.80	3000	3300
CM4	TM4	Cli4	CE	29/06/2017	310	281.80	(-)3000	(-)3300

* '-' indicates sell

Members are requested to refer to the Corporate Action Adjustment file to member for details. (File format is as per circular no. MSEI/IT/4689/2016 dated November 8, 2016)

For clarifications, members may contact Customer Service on 022-61129010 or send an email at info@mclear.in.

For and on behalf of

Metropolitan Clearing Corporation of India Ltd.

Vikrant Bhalla
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