

Futures & Options Segment

March 13, 2019

Circular No. : MSE/C&S/EDS/7413/2019

Ref. No. : MCCIL/EDS/1247/2019

Sub: Adjustment of Futures and Options contracts in the security NTPC Limited (NTPC)

In terms of the provisions of the Rules, Bye-Laws and Regulations of the Metropolitan Clearing Corporation of India Ltd. (MCCIL), SEBI master circular reference SEBI/HO/MRD/DP/CIR/P/2016/135 dated December 16, 2016 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 MSE Circular No.: MSE/TRD/7412/2019 dated March 12, 2019, members are hereby informed the procedure for adjustment of Futures and Options contracts in the underlying security NTPC Limited (NTPC) on account of Bonus Issue in the ratio of 1:5.

The 'adjustment factor' for the corporate action shall be 1.2 and the ex-date for the corporate action shall be March 19, 2019. 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 NTPC existing after End of day on March 18, 2019 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.: MSE/TRD/7412/2019 dated March 12, 2019.

Futures Price: Adjusted futures price shall be arrived at by dividing the settlement price of relevant futures contracts on March 18, 2019 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 March 19, 2019 would be computed for the futures contract with underlying as 'NTPC' 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	28/03/2019	4000	4800
CM2	TM2	Cli2	28/03/2019	(-)8000	(-)9600
CM3	TM3	Cli3	28/03/2019	8000	9600

* '-' indicates sell

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2. Options Contracts Adjustment:

All open positions in Options contracts with the underlying security as NTPC, after End of Day on March 18, 2019 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. 1.2.

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. MSE/TRD/7412/2019 dated March 12, 2019.

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	28/03/2019	147.50	122.90	4000	4800
CM2	TM2	Cli2	PE	28/06/2019	150	125	(-)8000	(-)9600
CM2	TM2	Cli2	PE	28/06/2019	152.50	127.08	8000	9600

* '-' indicates sell

Members are requested to refer to the Corporate Action Adjustment file to member for details. (File format is as per circular no. MSE/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.

Shweta Bhatt
Manager

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