

Futures & Options Segment

March 25, 2019

Circular No. : MSE/C&S/EDS/7450/2019

Ref. No. : MCCIL/EDS/1255/2019

Sub: Adjustment of Futures and Options contracts in the security Oil & Natural Gas Corporation Limited (ONGC)

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 MSEI Circular No.: MSE/TRD/7449/2019 dated March 25, 2019, members are hereby informed the procedure for adjustment of Futures and Options contracts in the underlying security Oil & Natural Gas Corporation Limited (ONGC), on account of the dividend of Rs. 1/-

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 ONGC existing after End of day on March 25, 2019 will be adjusted as under:

All positions in futures contracts with the underlying security as ONGC would be marked-to-market on the last cum-dividend date i.e. March 25, 2019, based on the daily settlement price of the respective futures contract.

Adjusted futures price shall be arrived at by reducing the dividend amount of Rs. 1/- from the daily mark to market settlement price of the relevant futures contract on March 25, 2019. Subsequent to such processing, open positions shall be carried forward at the adjusted futures price for the respective futures contract.

Begin of day margins on March 26, 2019 would be computed for the futures contract with underlying as ONGC 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)*		Settlement Price		Value	
				Old	New	Old	New	Old	New
CM1	TM1	Cli1	28-Mar-19	3750	3750	145	144	543750	540000
CM2	TM2	Cli2	25-Apr-19	7500	7500	150	149	1125000	1117500
CM3	TM3	Cli3	30-May-19	(-)7500	(-)7500	155	154	1162500	1155000

* '-' indicates sell

Metropolitan Clearing Corporation of India Limited

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2. Options Contracts Adjustment:

The full value of dividend i.e. Rs. 1/- would be deducted from all the cum-dividend strike prices on the ex-dividend date. All positions in existing strike prices shall continue to exist in the corresponding new adjusted strike prices.

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-Mar-19	145	144	3750	3750
CM2	TM2	Cli2	PE	25-Apr-19	150	149	7500	7500
CM3	TM3	Cli3	PE	30-May-19	155	154	(-)7500	(-)7500

* '-' 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.

Shweta Bhatt
Manager

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