

Futures & Options Segment

August 20, 2020

Circular No: MCCIL/EDS/1737/2020**Sub: Adjustment of Futures and Options contracts in the security Eicher Motors Limited (EICHERMOT).**

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 MSE Circular No.: MSE/TRD/9375/2020 dated August 20, 2020, members are hereby informed the procedure for adjustment of Futures and Options contracts in the underlying security Eicher Motors Limited (EICHERMOT), on account of Face Value Split of shares from Rs.10 per share to Rs.1 per share.

The 'adjustment factor' for the corporate action shall be 10 and the ex-date for the corporate action shall be August 24, 2020. 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 EICHERMOT existing after end of day on August 21, 2020 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/9375/2020 dated August 20, 2020.

Futures Price: Adjusted futures price shall be arrived at by dividing the settlement price of relevant futures contracts on August 21, 2020 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 August 24, 2020 would be computed for the futures contract with underlying as 'EICHERMOT' 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	27/08/2020	550	5500
CM2	TM2	Cli2	27/08/2020	(-)1100	(-)11000
CM3	TM3	Cli3	27/08/2020	1100	11000

* '-' indicates sell

Metropolitan Clearing Corporation of India Limited

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2. Options Contracts Adjustment:

All open positions in Options contracts with the underlying security as EICHERMOT, after End of Day on August 21, 2020 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. 10.

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/9375/2020 dated August 20, 2020.

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	27/08/2020	1560	156	550	5500
CM2	TM2	Cli2	PE	27/08/2020	1580	158	(-)1100	(-)11000
CM3	TM3	Cli3	PE	27/08/2020	1600	160	1100	11000

* '-' indicates sell

Members are requested to refer to the "Corporate Action Adjustment to member" file 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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