

Futures & Options Segment

February 14, 2020

Circular No. : MCCIL/EDS/1546/2020

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

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/8665/2020 dated February 13, 2020, members are hereby informed the procedure for adjustment of Futures and Options contracts in the underlying security

OIL (India) Limited (OIL) on account of the dividend of Rs.9/-

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 OIL existing after End of day on February 19, 2020 will be adjusted as under:

All positions in futures contracts with the underlying security as OIL would be marked-to-market on the last cum-dividend date i.e. February 19, 2020, 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. 9/- from the daily mark to market settlement price of the relevant futures contract on February 19, 2020. 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 February 20, 2020 would be computed for the futures contract with underlying as OIL 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	27-Feb-2020	3399	3399	127.50	118.50	433372.50	402781.50
CM2	TM2	Cli2	26-Mar-2020	6798	6798	130	121	883740	822558
CM3	TM3	Cli3	30-Apr-2020	(-)6798	(-)6798	132.50	123.50	900735	839553

* '-' indicates sell

Metropolitan Clearing Corporation of India Limited

Regd. Office: 4th Floor, Vibgyor Towers, Opp. Trident Hotel, Plot No. C62, Bandra Kurla Complex, Bandra (East), Mumbai - 400 098

Tel: +91-22-6112 9000 • Fax: +91-22-2652 5731 • URL: www.mclear.in • Email: info@mclear.in • CIN: U67120MH2008PLC188032

2. Options Contracts Adjustment:

The full value of dividend i.e. Rs. 9/- 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	27-Feb-2020	127.50	118.50	3399	3399
CM2	TM2	Cli2	PE	26-Mar-2020	130	121	6798	6798
CM3	TM3	Cli3	PE	30-Apr-2020	132.50	123.50	(-)6798	(-)6798

* '-' 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 Limited

Shweta Bhatt
Manager

Metropolitan Clearing Corporation of India Limited

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