

Futures & Options Segment

July 27, 2021

Circular No: MCCIL/EDS/2011/2021

Sub: Adjustment of Futures and Options contracts in the security Power Grid Corporation of India (POWERGRID)

In terms of the provisions of the Rules, Bye-Laws and Regulations of the Metropolitan Clearing Corporation of India Ltd. (MCCIL); SEBI master circulars reference SEBI/HO/MRD/DP/CIR/P/2016/135 dated December 16, 2016 & SMDRP/DC/CIR-8/01 dated June 21, 2001 and MCCIL Circular No.: MCX-SX/C&S/F&O/1003/2013 dated February 07, 2013, members are hereby informed of the procedure for adjustment of Futures and Options contracts in the underlying security Power Grid Corporation of India (POWERGRID) on account of Bonus Issue in the ratio of 1:3.

Accordingly, the 'adjustment factor' for the corporate action shall be 1.3333 and the ex-date for the corporate action shall be July 29, 2021. 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 POWERGRID existing after End of day on July 28, 2021 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 adjustment factor.

Futures Price: Adjusted futures price shall be arrived at by dividing the settlement price of relevant futures contracts on July 28, 2021 by 'adjustment factor'.

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

Market Lot: Adjusted Market Lot size = Old market lot size x Adjustment factor

Begin of day margins on July 29, 2021 would be computed for the futures contract with underlying as 'POWERGRID' 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 here under:

Metropolitan Clearing Corporation of India Limited

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CM	TM	Client Code	Expiry Date	Position (in units)*	
				Old	New
CM1	TM1	Cli1	29/07/2021	4000	5333
CM2	TM2	Cli2	26/08/2021	(-)4000	(-)5333
CM3	TM3	Cli3	30/09/2021	4000	5333

* '-' indicates sell

2. Options Contracts Adjustment:

All open positions in Options contracts with the underlying security as POWERGRID, after End of Day on July 28, 2021 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. 1.3333.

Positions: The adjusted positions shall be arrived at by multiplying number of contracts in the pre adjusted position by the adjustment factor. market lot.

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	29/07/2021	230	172.50	4000	5333
CM2	TM2	Cli2	PE	26/08/2021	235	176.25	(-)4000	(-)5333
CM2	TM2	Cli2	PE	30/09/2021	240	180.00	4000	5333

* '-' indicates sell

Members are requested to refer to the Corporate Action Adjustment 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 022-68316600 or send an email to settlement@mcclar.in.

For and on behalf of

Metropolitan Clearing Corporation of India Ltd.

Shweta Bhatt
Manager

Metropolitan Clearing Corporation of India Limited

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