

Futures & Options Segment

March 17, 2021

Circular No. : MCCIL/EDS/1915/2021

Sub: Adjustment of Futures and Options contracts in the security National Mineral Development Corporation (NMDC)

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/10213/2021 dated March 16, 2021, members are hereby informed the procedure for adjustment of Futures and Options contracts in the underlying security **National Mineral Development Corporation (NMDC)** on account of the dividend of Rs.7.76/-

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 NMDC existing after End of day on March 19, 2021 will be adjusted as under:

All positions in futures contracts with the underlying security as NMDC would be marked-to-market on the last cum-dividend date i.e. March 19, 2021, 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. 7.76/- from the daily mark to market settlement price of the relevant futures contract on March 19, 2021. 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 22, 2021 would be computed for the futures contract with underlying as NMDC 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	25-Mar-2021	3399	3399	133	125.24	452067.00	425690.76
CM2	TM2	Cli2	29-Apr-2021	6798	6798	130	122.24	883740.00	830987.52
CM3	TM3	Cli3	27-May-2021	(-)6798	(-)6798	135	127.24	917730.00	864977.52

* '-' indicates sell

Metropolitan Clearing Corporation of India Limited

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2. Options Contracts Adjustment:

The full value of dividend i.e. Rs. 7.76/- 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	25-Mar-2021	133	125.24	3399	3399
CM2	TM2	Cli2	PE	29-Apr-2021	130	122.24	6798	6798
CM3	TM3	Cli3	PE	27-May-2021	135	127.24	(-)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