

Futures & Options Segment

June 03, 2022

Circular No.. : MCCIL/EDS/2225/2022

Sub: Adjustment of Futures and Options contracts in the security AU Small Finance Bank Limited (AUBANK).

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; MCCIL Circular No.: MCX-SX/C&S/F&O/1003/2013 dated February 07, 2013 and MSE Circular No.: MSE/TRD/11896/2022 dated June 03, 2022, members are hereby informed of the procedure for adjustment of Futures and Options contracts in the underlying security AU Small Finance Bank Limited (AUBANK) on account of Bonus Issue in the ratio of 1:1.

The 'adjustment factor' for the corporate action shall be 2 and the ex-date for the corporate action shall be June 09, 2022. 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 AUBANK existing after End of day on June 08, 2022 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/11896/2022 dated June 03, 2022.

Futures Price: Adjusted futures price shall be arrived at by dividing the settlement price of relevant futures contracts on June 08, 2022 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 June 09, 2022 would be computed for the futures contract with underlying as 'AUBANK' 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:

CM	TM	Client Code	Expiry Date	Position(in units)*	
				Old	New
CM1	TM1	Cli1	30/06/2022	500	1000
CM2	TM2	Cli2	28/07/2022	(-)500	(-)1000
CM3	TM3	Cli3	25/08/2022	500	1000

* '-' indicates sell

2. Options Contracts Adjustment:

All open positions in Options contracts with the underlying security as AUBANK, after End of Day on June 08, 2022 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. 2.

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/11896/2022 dated June 03, 2022.

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	26/05/2022	1280	640	500	1000
CM2	TM2	Cli2	PE	30/06/2022	1280	640	(-)500	(-)1000
CM2	TM2	Cli2	PE	28/07/2022	1300	650	500	1000

* '-' 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 022-6831 6600 or send an email to info@mclear.in.

For and on behalf of

Metropolitan Clearing Corporation of India Ltd.

Shweta Bhatt
Sr.Manager