

Futures & Options Segment

October 26, 2018

Circular No. : MSE/C&S/EDS/6924/2018

Ref. No. : MCCIL/EDS/1138/2018

Sub: Adjustment of Futures and Options contracts in the security Hindustan Zinc Limited (HINDZINC)

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, MCX-SXCCL Circular No.: MCX-SX/C&S/F&O/1003/2013 dated February 07, 2013 and MSEI Circular No.: MSE/EDS/TRD/6921/2018 dated October 26, 2018, members are hereby informed the procedure for adjustment of Futures and Options contracts in the underlying security HINDZINC, on account of the extra-ordinary dividend (i.e. over 5% of the market price of the underlying stock).

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 HINDZINC existing after End of day on October 30, 2018 will be adjusted as under:

All positions in futures contracts with the underlying security as HINDZINC would be marked-to-market on the last cum-dividend date i.e. October 30, 2018, 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. 20/- from the daily mark to market settlement price of the relevant futures contract on October 30, 2018. 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 October 31, 2018 would be computed for the futures contract with underlying as HINDZINC 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	29-Nov-18	3200	3200	270	250	864000	800000
CM2	TM2	Cli2	27-Dec-18	(-)9600	(-)9600	275	255	-2640000	-2448000
CM3	TM3	Cli3	31-Jan-18	(-)3200	(-)3200	280	260	-896000	-832000

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

* '-' indicates sell

2. Options Contracts Adjustment:

The full value of dividend i.e. Rs. 20/- 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	29-Nov-18	270	250	3200	3200
CM2	TM2	Cli2	PE	27-Dec-18	275	255	(-)9600	(-)9600
CM3	TM3	Cli3	PE	31-Jan-18	280	260	(-)3200	(-)3200

* '-' 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 Ltd.

Shweta Bhatt
Manager

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