

NSE Clearing Limited

(Formerly known as National Securities Clearing Corporation Ltd.)

Circular

Department: Futures & Options	
Download Ref No: NCL/CMPT/52502	Date: June 02, 2022
Circular Ref. No: 060/2022	

All Members,

Sub: Adjustment of Futures and Options contracts in the security AUBANK

In pursuance of Byelaws of NSE Clearing pertaining to Clearing and Settlement of deals, SEBI circular reference SMDRP/DC/CIR-8/01 dated June 21, 2001, Circular no. 001 (Download no. NCL/CMPT/50877) dated January 03, 2022 and Circular no. 50/2022 (Download no. 52487) dated June 01, 2022 members are hereby informed the procedure for adjustment of Futures and Options contracts in the underlying security AU Small Finance Bank Limited, 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 NSE Clearing in this regard.

1. Action by the NSE Clearing in respect of Futures Contracts:

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. 50/2022 (Download no. 52487) dated June 01, 2022.

Futures Price: The adjusted futures price would be based on the Settlement price of the relevant futures contracts on June 08, 2022. Adjusted futures price shall be settlement price of relevant futures contracts on June 08, 2022 divided by 'adjustment factor'.

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Adjusted value: In order to avoid difference arising due to rounding off of adjusted settlement price, the carry forward/adjusted value shall be computed by multiplying pre adjusted futures long/short quantity with pre adjusted settlement price. Accordingly, all positions in futures contracts with the underlying security as AUBANK would be marked-to-market on June 08, 2022 based on the daily settlement price of the respective futures contract. Further, the adjusted positions would be carried forward at the adjusted value.

From June 09, 2022, daily mark to market settlement of futures contracts with the underlying security as AUBANK would continue as per normal procedures.

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 hereunder:

1.1 Positions before adjustment:

Clearing Member	Trading Member	Client Code	Instrument	Security Symbol	Expiry Date	Long position	Short position
A	ABC	H4	FUTSTK	AUBANK	30-JUN-2022	500	0
B	PQR	458	FUTSTK	AUBANK	28-JUL-2022	0	500

1.2 Positions after adjustment:

Clearing Member	Trading Member	Client Code	Instrument	Security Symbol	Expiry Date	Long position	Short position
A	ABC	H4	FUTSTK	AUBANK	30-JUN-2022	1000	0
B	PQR	458	FUTSTK	AUBANK	28-JUL-2022	0	1000

2 Action by Clearing Corporation in respect of Options Contracts:

All open positions in options contracts with the underlying security as AUBANK, as existing on June 08, 2022 shall be adjusted as under:

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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 and continue to exist in the new adjusted strike prices. The adjusted market lot shall be as per the Circular no. 50/2022 (Download no. 52487) dated June 01, 2022.

An example of the adjustments in the strike prices is detailed hereunder:

2.1 Positions before Strike Price adjustment:

Clearing Member	Trading Member	Client Code	Instrument	Security Symbol	Expiry Date	Strike Price	Option Type	Long position	Short position
A	ABC	H4	OPTSTK	AUBANK	30-JUN-2022	1280.00	CE	500	0
B	MNO	458	OPTSTK	AUBANK	30-JUN-2022	1280.00	PE	0	500
C	PQR	BRH1	OPTSTK	AUBANK	28-JUL-2022	1300.00	CE	500	0
D	XYZ	A5	OPTSTK	AUBANK	28-JUL-2022	1300.00	PE	0	500

2.2 Positions after Strike Price adjustment:

Clearing Member	Trading Member	Client Code	Instrument	Security Symbol	Expiry Date	Strike Price	Option Type	Long position	Short position
A	ABC	H4	OPTSTK	AUBANK	30-JUN-2022	640.00	CE	1000	0
B	MNO	458	OPTSTK	AUBANK	30-JUN-2022	640.00	PE	0	1000
C	PQR	BRH1	OPTSTK	AUBANK	28-JUL-2022	650.00	CE	1000	0
D	XYZ	A5	OPTSTK	AUBANK	28-JUL-2022	650.00	PE	0	1000

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3. Members are advised to note the following in respect of futures and options contracts on underlying security AUBANK.

Position details of futures and options contracts with the underlying security as AUBANK would be provided in PS_03 / 04 files for trade date June 08, 2022, would indicate final positions in the relevant contracts (without adjustment) on June 08, 2022.

Adjustments for futures contracts would be carried out separately as detailed in 1.1 and 1.2 above. Similarly, adjustments of options contracts would be carried out on such strike prices as detailed in 2.1 and 2.2 above. All open positions at existing strike prices shall continue to exist at adjusted strike prices.

The following two additional files will be provided, at the end of the day on June 08, 2022:

AUBANK_<Member Code>_EXISTING_POSITIONS.CSV

AUBANK_<Member Code>_ADJUSTED_POSITIONS.CSV

The details of these files are provided as Annexure I.

**For and on behalf of
NSE Clearing Limited**

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Annexure I

Position file formats for Corporate Action Adjustment for Futures and Options contracts on underlying security – AUBANK Limited

1. Details of existing positions:

All members having positions in options contracts at existing strike prices and Futures contracts shall be given details of the same vide the regular F_PS03 & the F_PS04 files on June 08, 2022.

The file shall be comma separated. The file shall be named as AUBANK_<Member Code>_EXISTING_POSITIONS.CSV

This file shall be at client level

The file structure shall be as under:

Position Date	Date
Segment Indicator	'F'
Settlement Type	'S/G'
Clearing Member Code	CM Code
Member Type	'M'/'C'
Trading Member Code	TM Code / CP Code
Account Type	'P'/'C' etc.
Client Account / Code	Client Account No. / Code
Instrument Type	FUTSTK / OPTSTK
Symbol	AUBANK
Expiry date	30-JUN-2022/28-JUL-2022/25-AUG-2022
Strike Price	Existing Strike Prices
Option Type	'CE'/'PE'
CA Level	1
Post Ex / Asgmt Long Quantity	XXX
Post Ex / Asgmt Long Value	XXX (value 0 for option contracts)
Post Ex / Asgmt Short Quantity	XXX
Post Ex / Asgmt Short Value	XXX (value 0 for option contracts)
C/f Long Quantity	0
C/f Long Value	0

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C/f Short Quantity	0
C/f Short Value	0

2. Details of Adjusted Positions:

All options positions in existing strike prices shall continue to exist in the corresponding new adjusted strike prices.

Members shall be given the adjusted positions i.e. the Post Ex / Asgmt Long Quantity / Post Ex / Asgmt Short Quantity with zero quantity and the Carry Forward Long Quantity / Carry Forward Short Quantity with adjusted quantities.

The comma separated file shall be named as AUBANK_<Member Code>_ADJUSTED_POSITIONS.CSV.

This file shall be at client level.

The file structure shall be as under:

Position Date	Date
Segment Indicator	'F'
Settlement Type	'S/G'
Clearing Member Code	CM Code
Member Type	'M'/'C'
Trading Member Code	TM Code / CP Code
Account Type	'P'/'C' etc.
Client Account / Code	Client Account No / Code
Instrument Type	FUTSTK / OPTSTK
Symbol	AUBANK
Expiry date	30-JUN-2022/28-JUL-2022/25-AUG-2022
Strike Price	Existing Strike Prices
Option Type	'CE'/'PE'
CA Level	0
Post Ex / Asgmt Long Quantity	0
Post Ex / Asgmt Long Value	0
Post Ex / Asgmt Short Quantity	0
Post Ex / Asgmt Short Value	0

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C/f Long Quantity	XXX
C/f Long Value *	XXX (value 0 for option contracts)
C/f Short Quantity	XXX
C/f Short Value *	XXX (value 0 for option contracts)

* C/f Long Value and C/f Short Value shall be provided only for futures contracts. It shall be computed as the product of pre-adjusted C/f Long/ Short Quantity and pre-adjusted settlement price.