

**NSE Clearing Limited**

(Formerly known as National Securities Clearing Corporation Limited)

**Department : FUTURES & OPTIONS**

Download Ref No: NCL/CMPT/40057

Date : January 25, 2019

Circular Ref. No: 12/2019

All Members,

**Sub: Adjustment of Futures and Options contracts in the security Container Corporation of India Limited (CONCOR)**

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/39833) dated January 01, 2019 and Circular no. 13/2019 (Download no. 40034) dated January 24, 2019 members are hereby informed the procedure for adjustment of Futures and Options contracts in the underlying security CONTAINER CORPORATION OF INDIA LIMITED, on account of Bonus Issue in the ratio of 1:4.

The 'adjustment factor' for the corporate action shall be 1.25 and the ex-date for the corporate action shall be February 04, 2019. 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 CONCOR existing after End of day on February 01, 2019 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. 13/2019 (Download no. 40034) dated January 24, 2019.

**Futures Price:** The adjusted futures price would be based on the Settlement price of the relevant futures contracts on February 01, 2019. Adjusted futures price shall be settlement price of relevant futures contracts on February 01, 2019 divided by 'adjustment factor'.

**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 CONCOR would be marked-to-market on February 01, 2019 based on the daily settlement price of the respective futures contract. Further, the adjusted positions would be carried forward at the adjusted value.

From February 04, 2019, daily mark to market settlement of futures contracts with the underlying security as CONCOR would continue as per normal procedures.

Begin of day margins on February 04, 2019 would be computed for the futures contract with underlying as CONCOR 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     | CONCOR          | 28-FEB-2019 | 1250          | 0              |
| B               | PQR            | 458         | FUTSTK     | CONCOR          | 28-FEB-2019 | 0             | 1250           |

**1.2 Positions after adjustment:**

| Clearing Member | Trading Member | Client Code | Instrument | Security Symbol | Expiry Date | Long position | Short position |
|-----------------|----------------|-------------|------------|-----------------|-------------|---------------|----------------|
| A               | ABC            | H4          | FUTSTK     | CONCOR          | 28-FEB-2019 | 1563          | 0              |
| B               | PQR            | 458         | FUTSTK     | CONCOR          | 28-FEB-2019 | 0             | 1563           |

**2 Action by Clearing Corporation in respect of Options Contracts:**

All open positions in options contracts with the underlying security as CONCOR, as existing on February 01, 2019 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. 1.25.

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. 13/2019 (Download no. 40034) dated January 24, 2019.

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     | CONCOR          | 28-FEB-2019 | 650.00       | CE          | 1250          | 0              |
| B               | MNO            | 458         | OPTSTK     | CONCOR          | 28-FEB-2019 | 650.00       | PE          | 0             | 1250           |
| C               | PQR            | BRH1        | OPTSTK     | CONCOR          | 28-FEB-2019 | 660.00       | CE          | 1250          | 0              |
| D               | XYZ            | A5          | OPTSTK     | CONCOR          | 28-FEB-2019 | 660.00       | PE          | 0             | 1250           |

## 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     | CONCOR          | 28-FEB-2019 | 520.00       | CE          | 1563          | 0              |
| B               | MNO            | 458         | OPTSTK     | CONCOR          | 28-FEB-2019 | 520.00       | PE          | 0             | 1563           |
| C               | PQR            | BRH1        | OPTSTK     | CONCOR          | 28-FEB-2019 | 528.00       | CE          | 1563          | 0              |
| D               | XYZ            | A5          | OPTSTK     | CONCOR          | 28-FEB-2019 | 528.00       | PE          | 0             | 1563           |

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

Position details of futures and options contracts with the underlying security as CONCOR would be provided in PS\_03 / 04 files for trade date February 01, 2019, would indicate final positions in the relevant contracts (without adjustment) on February 01, 2019 .

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 February 01, 2019:

CONCOR\_<Member Code>\_EXISTING\_POSITIONS.CSV

CONCOR\_<Member Code>\_ADJUSTED\_POSITIONS.CSV

The details of these files are provided as Annexure I.

**For and on behalf of  
 NSE Clearing Limited  
 (Formerly known as National Securities Clearing Corporation Limited)**

Nisha Pillai  
 Chief Manager

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## Annexure I

### Position file formats for Corporate Action Adjustment for Futures and Options contracts on underlying security – CONCOR

#### 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 February 01, 2019 .

The file shall be comma separated. The file shall be named as CONCOR\_<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                         | CONCOR                              |
| Expiry date                    | 28-Feb-2019/28-Mar-2019/25-Apr-2019 |
| 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                                   |
| 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 CONCOR\_<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                         | CONCOR                              |
| Expiry date                    | 28-Feb-2019/28-Mar-2019/25-Apr-2019 |
| 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                                   |
| 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.