NSE Clearing Limited
(Formerly known as National Securities Clearing Corporation Limited)

Department : FUTURES & OPTIONS	
Download Ref No: NCL/CMPT/47188	Date : February 01, 2021
Circular Ref. No: 013/2021	

All Members

Sub: Adjustment of Futures and Options contracts in the security Indian Oil Corporation Limited (IOC)

This is pursuant to NSE Circular no. 10/2021 (Download no. 47180) dated February 01, 2021 regarding Adjustment of Futures and Options contracts in the security IOC. The following action with regards to clearing and settlement would be taken by NSE Clearing in this regard.

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

Adjustment of futures contracts available in IOC shall be carried out based on the reference rate of the relevant futures contracts on February 08, 2021 (last cum-dividend date). The reference rate to be reckoned for the purpose of adjustment shall be the daily mark to market settlement price of the relevant futures contract, which shall be reduced by the dividend amount.

Accordingly, all positions in futures contracts with the underlying security as IOC would be marked-to-market on the last cum-dividend date i.e. February 08, 2021, based on the daily settlement price of the respective futures contract. Subsequent to such processing, open positions shall be carried forward at the daily settlement price less Rs.7.50 (dividend amount) for the respective futures contract.

From February 09, 2021 (ex-dividend date), daily mark to market settlement of futures contracts with the underlying security as IOC would continue as per normal procedures.

Begin of day margins on February 09, 2021 would be computed for the futures contract with underlying as IOC 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	Symbol	Expiry Date	Long Position	* Long Value	Short Position	* Short Value
A	ABC	A1	FUTSTK	IOC	25-Feb-2021	6500	650000		
B	PQR	A2	FUTSTK	IOC	25-Mar-2021	0		6500	650000
C	XYZ	A3	FUTSTK	IOC	29-Apr-2021	0		13000	1300000

* Valued at price Rs.100.00/-

1.2 Positions after adjustment:

Clearing Member	Trading Member	Client Code	Instrument	Symbol	Expiry Date	Long Position	*Long Value	Short Position	*Short Value
A	ABC	A1	FUTSTK	IOC	25-Feb-2021	6500	601250		
B	PQR	A2	FUTSTK	IOC	25-Mar-2021	0		6500	601250
C	XYZ	A3	FUTSTK	IOC	29-Apr-2021	0		13000	1202500

* Valued at price Rs.92.50 (Rs.100.00 – Rs.7.50 which is the dividend amount)

2. Action by Clearing Corporation in respect of Option Contracts:

The full value of dividend i.e. Rs.7.50 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 the strike prices is detailed hereunder:

2.1 Positions before Strike Price adjustment:

Clearing Member	Trading Member	Client Code	Instrument	Symbol	Expiry Date	Strike Price	Option Type	Long Position	Short Position
A	ABC	A1	OPTSTK	IOC	25-Feb-2021	99.00	CE	6500	0
B	PQR	A2	OPTSTK	IOC	25-Mar-2021	100.00	PE	0	6500
C	XYZ	A3	OPTSTK	IOC	29-Apr-2021	101.00	CE	0	13000

2.2 Positions after Strike Price adjustment:

Clearing Member	Trading Member	Client Code	Instrument	Symbol	Expiry Date	Strike Price	Option Type	Long Position	Short Position
A	ABC	A1	OPTSTK	IOC	25-Feb-2021	91.50	CE	6500	0
B	PQR	A2	OPTSTK	IOC	25-Mar-2021	92.50	PE	0	6500
C	XYZ	A3	OPTSTK	IOC	29-Apr-2021	93.50	CE	0	13000

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

Position details of futures and options contracts with the underlying security as IOC provided in PS_03 / 04 files for trade date February 08, 2021, would indicate positions in the relevant contracts (without adjustment for dividend) on February 08, 2021.

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 08, 2021:

IOC_<Member Code>_EXISTING_POSITIONS.CSV
IOC_<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 – IOC

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 08, 2021.

The file shall be comma separated. The file shall be named as IOC _<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	OPTSTK/ FUTSTK
Symbol	IOC
Expiry date	25-Feb-2021 25-Mar-2021 29-Apr -2021
Strike Price	Existing Strike Prices
Option Type	‘CE’/’PE’
CA Level	1
Post Ex / Asgmnt Long Quantity	XXX
Post Ex / Asgmnt Long Value	XXX (value 0 for option contracts)
Post Ex / Asgmnt Short Quantity	XXX
Post Ex / Asgmnt 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 members having positions in IOC contracts shall be provided an additional file with the adjustments with regards to the dividend as detailed in 1.1 and 1.2 for futures contracts and 2.1 and 2.2 for options contracts.

The comma separated file shall be named as IOC_<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	OPTSTK/ FUTSTK
Symbol	IOC
Expiry date	25-Feb-2021 25-Mar-2021 29-Apr -2021
Strike Price	Adjusted Strike Prices
Option Type	‘CE’/’PE’
CA Level	0
Post Ex / Asgmnt Long Quantity	0
Post Ex / Asgmnt Long Value	0
Post Ex / Asgmnt Short Quantity	0
Post Ex / Asgmnt Short Value	0
C/f Long Quantity	XXX
C/f Long Value*	XXX (value 0 for options contracts)
C/f Short Quantity	XXX
C/f Short Value*	XXX (value 0 for options 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 C/f Long/ Short Quantity and adjusted daily settlement price (i.e. daily settlement price less Rs.7.50).