



NATIONAL SECURITIES CLEARING CORPORATION LIMITED

DEPARTMENT : FUTURES & OPTIONS

Download Ref No : NSCCL/CMPT/36819

Date : January 24, 2018

Circular Ref. No : 07/2018

All Members

Sub: Adjustment of Futures and Options contracts in the security Tata Steel Limited (TATASTEEL)

In pursuance of Byelaws of NSCCL pertaining to Clearing and Settlement of deals, SEBI circular reference SMDRP/DC/CIR-8/01 dated June 21, 2001, Circular no. 032 (Download no. NSCCL/CMPT/34657) dated April 17, 2017 and Circular no. 04/2018 (Download no. NSE/FAOP/36811) dated January 23, 2018 members are hereby informed the procedure for adjustment of Futures and Options contracts in the underlying security Tata Steel Limited (TATASTEEL), on account of Rights Issue.

The methodology for computation of 'adjustment factor' for the corporate action shall be as given by Circular no. 04/2018 (Download no. NSE/FAOP/36811) dated January 23, 2018. The following action would be taken by NSCCL in this regard.

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

All open positions in Futures contracts with the underlying security as TATASTEEL existing after end of day on January 30, 2018 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. 04/2018 (Download no. NSE/FAOP/36811) dated January 23, 2018.

Futures Price: The adjusted futures price would be based on the settlement price of the relevant futures contracts on January 30, 2018. Adjusted futures price shall be settlement price of relevant futures contracts on January 30, 2018 multiplied 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 TATASTEEL would be marked-to-market on January 30, 2018 based on the daily settlement price of the respective futures contract. Further, the adjusted positions would be carried forward at the adjusted value.

From January 31, 2018, daily mark to market settlement of futures contracts with the underlying security as TATASTEEL would continue as per normal procedures.

2 Action by Clearing Corporation in respect of Options Contracts:

All open positions in Options contracts with the underlying security as TATASTEEL, as existing on January 30, 2018 shall be adjusted as under:

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. 04/2018 (Download no. NSE/FAOP/36811) dated January 23, 2018.

3. Members are advised to note the following in respect of Futures and Options contracts on underlying security TATASTEEL.

Position details of Futures and Options contracts with the underlying security as TATASTEEL would be provided in PS_03 / 04 files for trade date January 30, 2018, would indicate final positions in the relevant contracts (without adjustment) on January 30, 2018.

The following two additional files will be provided, at the end of the day on January 30, 2018:

TATASTEEL _<Member Code>_EXISTING_POSITIONS.CSV

TATASTEEL _<Member Code>_ADJUSTED_POSITIONS.CSV

The details of these files are provided as Annexure I.

**For and on behalf of
National Securities Clearing Corporation Ltd.**

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Annexure I

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

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 January 30, 2018.

The file shall be comma separated. The file shall be named as TATASTEEL_<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	TATASTEEL
Expiry date	22-Feb-2018/28-Mar-2018/26-Apr-2018
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 TATASTEEL_<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	TATASTEEL
Expiry date	22-Feb-2018/28-Mar-2018/26-Apr-2018
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.