

NATIONAL SECURITIES CLEARING CORPORATION LIMITED
FUTURES & OPTIONS SEGMENT
Circular No.1109

Download Reference No: NSE/CMPT/15639

September 02, 2010

Dear Members

Sub: Adjustment of Futures and Options contracts in the security Dabur India Ltd.
(DABUR)

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, NSE Circular no. NSCC/F&O/C&S/974 dated September 10, 2009 (Download no. 13061) and Circular no. 088 (Download no. 15617) dated September 01, 2010 members are hereby informed the procedure for adjustment of Futures and Options contracts in the underlying security Dabur India Ltd. (DABUR), 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 September 08, 2010. 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 DABUR existing after end of day on September 07, 2010 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. 088 (Download No. 15617) dated September 01, 2010.

Futures Price: The adjusted futures price would be based on the Settlement price of the relevant futures contracts on September 07, 2010. Adjusted futures price shall be settlement price of relevant futures contracts on September 07, 2010 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 DABUR would be marked-to-market on September 07, 2010 based on the daily settlement price of the respective futures contract. Further, the adjusted positions would be carried forward at the adjusted value.

From September 08, 2010, daily mark to market settlement of futures contracts with the underlying security as DABUR would continue as per normal procedures.

Begin of day margins on September 08, 2010 would be computed for the futures contract with underlying as DABUR 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	DABUR	September 30, 2010	2000	0
B	PQR	458	FUTSTK	DABUR	September 30, 2010	0	2000
C	XYZ	BRH01	FUTSTK	DABUR	September 30, 2010	0	4000

1.2 Positions after adjustment:

Clearing Member	Trading Member	Client Code	Instrument	Security Symbol	Expiry Date	Long position	Short position
A	ABC	H4	FUTSTK	DABUR	September 30, 2010	4000	0
B	PQR	458	FUTSTK	DABUR	September 30, 2010	0	4000
C	XYZ	BRH01	FUTSTK	DABUR	September 30, 2010	0	8000

2 Action by Clearing Corporation in respect of Option Contracts:

All open positions in option contracts with the underlying security as DABUR, as existing after exercise-assignment on September 07, 2010 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. 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. 088 (Download No. 15617) dated September 01, 2010.

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	DABUR	September 30, 2010	200	CA	2000	0
B	PQR	458	OPTSTK	DABUR	September 30, 2010	200	PA	0	2000
C	XYZ	BRH1	OPTSTK	DABUR	September 30, 2010	210	CA	0	4000

2.2 Positions after Strike Price adjustment:

Clearing Member	Trading Member	Client Code	Instrument	Security Symbol	Expiry Date	Adjusted Strike Price	Option Type	Adjusted Long position	Adjusted Short position
A	ABC	H4	OPTSTK	DABUR	September 30, 2010	100	CA	4000	0
B	PQR	458	OPTSTK	DABUR	September 30, 2010	100	PA	0	4000
C	XYZ	BRH1	OPTSTK	DABUR	September 30, 2010	105	CA	0	8000

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

Position details of futures and options contracts with the underlying security as DABUR would be provided in PS_03 / 04 files for trade date September 07, 2010, would indicate final positions in the relevant contracts (without adjustment) after exercise-assignment processing on September 07, 2010.

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 September 07, 2010:

DABUR_<Member Code>_EXISTING_POSITIONS.CSV

DABUR_<Member Code>_ADJUSTED_POSITIONS.CSV

The details of these files are provided as Annexure I.

For any further clarifications Members may contact the following officials of the Clearing Corporation:

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Annexure I

Position file formats for Corporate Action Adjustment for futures and options contracts on underlying security – DABUR

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 September 07, 2010.

The file shall be comma separated. The file shall be named as DABUR_<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	DABUR
Expiry date	30-Sept-2010/28-Oct-2010/25-Nov-2010
Strike Price	Existing Strike Prices
Option Type	'CA'/'PA'
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 DABUR_<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	DABUR
Expiry date	30-Sept-2010/28-Oct-2010/25-Nov-2010
Strike Price	Adjusted Strike Prices
Option Type	'CA'/'PA'
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.