



NATIONAL SECURITIES CLEARING CORPORATION LIMITED

DEPARTMENT : FUTURES & OPTIONS

Download Ref No : NSCCL/CMPT/34852

Date: May 12, 2017

Circular Ref. No : 41/2017

All Members,

Sub: Adjustment of Futures and Options contracts in the security ICICI BANK LIMITED (ICICIBANK)

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. 39/2017 (Download no. 34847) dated May 11, 2017 members are hereby informed the procedure for adjustment of Futures and Options contracts in the underlying security ICICI Bank Limited (ICICIBANK), on account of Bonus Issue in the ratio of 1:10.

The 'adjustment factor' for the corporate action shall be 1.1 and the ex-date for the corporate action shall be June 20, 2017. 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 ICICIBANK existing after End of day on June 19, 2017 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. 39/2017 (Download no. 34847) dated May 11, 2017.

Futures Price: The adjusted futures price would be based on the Settlement price of the relevant futures contracts on June 19, 2017. Adjusted futures price shall be settlement price of relevant futures contracts on June 19, 2017 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 ICICIBANK would be marked-to-market on June 19, 2017 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 20, 2017, daily mark to market settlement of futures contracts with the underlying security as ICICIBANK would continue as per normal procedures.

Begin of day margins on June 20, 2017 would be computed for the futures contract with underlying as ICICIBANK 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	ICICIBANK	29-Jun-2017	2500	0
B	PQR	458	FUTSTK	ICICIBANK	29-Jun-2017	0	2500

1.2 Positions after adjustment:

Clearing Member	Trading Member	Client Code	Instrument	Security Symbol	Expiry Date	Long position	Short position
A	ABC	H4	FUTSTK	ICICIBANK	29-Jun-2017	2750	0
B	PQR	458	FUTSTK	ICICIBANK	29-Jun-2017	0	2750

2 Action by Clearing Corporation in respect of Options Contracts:

All open positions in Options contracts with the underlying security as ICICIBANK, as existing on June 19, 2017 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. 1.1.

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. 39/2017 (Download no. 34847) dated May 11, 2017.

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	ICICIBANK	29-Jun-2017	305.00	CE	2500	0
B	MNO	458	OPTSTK	ICICIBANK	29-Jun-2017	305.00	PE	0	2500
C	PQR	BRH1	OPTSTK	ICICIBANK	29-Jun-2017	310.00	CE	2500	0
D	XYZ	A5	OPTSTK	ICICIBANK	29-Jun-2017	310.00	PE	0	2500

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	ICICIBANK	29-Jun-2017	277.25	CE	2750	0
B	MNO	458	OPTSTK	ICICIBANK	29-Jun-2017	277.25	PE	0	2750
C	PQR	BRH1	OPTSTK	ICICIBANK	29-Jun-2017	281.80	CE	2750	0
D	XYZ	A5	OPTSTK	ICICIBANK	29-Jun-2017	281.80	PE	0	2750

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

Position details of Futures and Options contracts with the underlying security as ICICIBANK would be provided in PS_03 / 04 files for trade date June 19, 2017, would indicate final positions in the relevant contracts (without adjustment) on June 19, 2017.

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 19, 2017:

ICICIBANK_<Member Code>_EXISTING_POSITIONS.CSV

ICICIBANK_<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 – ICICIBANK

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 19, 2017.

The file shall be comma separated. The file shall be named as ICICIBANK_<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	ICICIBANK
Expiry date	29-Jun-2017/27-Jul-2017/31-Aug-2017
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 ICICIBANK_<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	ICICIBANK
Expiry date	29-Jun-2017/27-Jul-2017/31-Aug-2017
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.