**NSE Clearing Limited**

(Formerly known as National Securities Clearing Corporation Limited)

| Department : FUTURES & OPTIONS | |
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| Download Ref No: NCL/CMPT/51888 | Date: April 04, 2022 |
| Circular Ref. No: 035/2022 | |

All Members,

**Sub:  Adjustment of Futures and Options contracts in the security JUBLFOOD**

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. 001 (Download no. NSCCL/CMPT/50877) dated January 03, 2022 and Circular no. 028/2022 (Download no. NSE/FAOP/51884) dated April 04, 2022 are hereby informed the procedure for adjustment of Futures and Options contracts in the underlying security JUBLFOOD , on account of Face Value Split of shares from Rs.5 per share to Rs.1 per share.

The 'adjustment factor' for the corporate action shall be 5 and the ex-date for the corporate action shall be April 19, 2022. The following action would be taken by NSE Clearing Ltd. 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 JUBLFOOD existing after End of day on April 18, 2022 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. 028/2022 (Download no. NSE/FAOP/51884) dated April 04, 2022.

Futures Price: The adjusted futures price would be based on the Settlement price of the relevant futures contracts on April 18, 2022. Adjusted futures price shall be settlement price of relevant futures contracts on April 18, 2022 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 JUBLFOOD would be marked-to-market on April 18, 2022 based on the daily settlement price of the respective futures contract. Further, the adjusted positions would be carried forward at the adjusted value.

From April 19, 2022, daily mark to market settlement of futures contracts with the underlying security as JUBLFOOD would continue as per normal procedures.

Begin of day margins on April 19, 2022 would be computed for the futures contract with underlying as JUBLFOOD 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 | JUBLFOOD | 28-APR-2022 | 125 | 0 |
| B | PQR | 458 | FUTSTK | JUBLFOOD | 28-APR-2022 | 0 | 125 |

**1.2     Positions after adjustment:**

| Clearing Member | Trading Member | Client Code | Instrument | Security Symbol | Expiry Date | Long position | Short position |
|---|---|---|---|---|---|---|---|
| A | ABC | H4 | FUTSTK | JUBLFOOD | 28-APR-2022 | 625 | 0 |
| B | PQR | 458 | FUTSTK | JUBLFOOD | 28-APR-2022 | 0 | 625 |

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

All open positions in Options contracts with the underlying security as JUBLFOOD, as existing on April 18, 2022 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. 5.

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. 028/2022 (Download no. NSE/FAOP/51884) dated April 04, 2022.

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 | JUBLFOOD | 28-APR-2022 | 2750 | CE | 125 | 0 |
| B | MNO | 458 | OPTSTK | JUBLFOOD | 28-APR-2022 | 2750 | PE | 0 | 125 |
| C | PQR | BRH1 | OPTSTK | JUBLFOOD | 26-MAY-2022 | 2800 | CE | 125 | 0 |
| D | XYZ | A5 | OPTSTK | JUBLFOOD | 26-MAY-2022 | 2800 | PE | 0 | 125 |

**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 | JUBLFOOD | 28-APR-2022 | 550 | CE | 625 | 0 |
| B | MNO | 458 | OPTSTK | JUBLFOOD | 28-APR-2022 | 550 | PE | 0 | 625 |
| C | PQR | BRH1 | OPTSTK | JUBLFOOD | 26-MAY-2022 | 560 | CE | 625 | 0 |
| D | XYZ | A5 | OPTSTK | JUBLFOOD | 26-MAY-2022 | 560 | PE | 0 | 625 |

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

Position details of Futures and Options contracts with the underlying security as JUBLFOOD would be provided in PS_03 / 04 files for trade date April 18, 2022 would indicate final positions in the relevant contracts (without adjustment) on April 18, 2022.

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 April 18, 2022:

JUBLFOOD_<Member Code>_EXISTING_POSITIONS.CSV

JUBLFOOD_<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 – JUBLFOOD**

**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 April 18, 2022.

The file shall be comma separated. The file shall be named as JUBLFOOD_<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 | JUBLFOOD |
| Expiry date | 28-APR-2022/ 26-MAY-2022/30-JUN-2022 |
| 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 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 / Asgmnt Long Quantity / Post Ex / Asgmnt 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 JUBLFOOD_<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 | JUBLFOOD |
| Expiry date | 28-APR-2022/ 26-MAY-2022/30-JUN-2022 |
| Strike Price | Existing 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 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.