

DRC 2015-16/05

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in **08.24 GS 2033**
on
17th July 2015

**FIXED INCOME MONEY MARKET AND DERIVATIVES
ASSOCIATION OF INDIA**

(Prepared by Rohan Sawant)

Procedure followed for settlement of off market trade in 08.24 GS 2033 on NDS-OM on 17th July, 2015.

The details of actions taken for settlement are as under:

- On 17th July, 2015 FIMMDA was informed by the seller (a mutual fund) followed by buyer (another mutual fund) telephonically and subsequently via mail about an erroneous trade in 08.24 GS 2033 at 10:07:26 hrs. The last traded price/yield for the same security as on 17th July 2015 was 101.1500/8.1162 at 10:6:45 hrs. The seller, wrongly put an offer to sell the above G-Sec for Rs.5 Cr at 100.2000 which was hit by the buyer.
- As per code of conduct RBI was approached to confirm the counterparties.
- When RBI disclosed the names of the counterparties, it was confirmed that the seller and buyer who referred the erroneous trade to DRC were the actual counterparties to the trade.
- Both the parties were allowed to reverse the trade.
- Accordingly, on the next trading day i.e. 20th July 2015 the deal was reversed and reported on NDS - OM Reporting Deal Section settling on T+1 basis.
- The off-market trade was thus reversed. The loss/gain reserved is Rs.4,75,000/-
- The reversal was informed to RBI and DRC members as per code of conduct.