

DRC 2015-16/03

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in **09.23% GS 2043**
on
10th June, 2015

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

(Prepared by Rohan Sawant)

Procedure followed for settlement of off market trade in 09.23% GS 2043 on NDS-OM dated 10th June, 2015.

The details of actions taken for settlement are as under:

- On 10th June, 2015 FIMMDA was informed by one counterparty a mutual fund institute telephonically and subsequently via mail, that they have sold 09.23% GS 2043 at price of Rs.110.4000/8.2744% for Rs.25 Cr at 15:10:11 hrs which was out of market.
- The seller wrongly offered to sell the security at Rs.110.4000 though the last traded price for the same security was at Rs.111.4000/8.1906% for Rs.5 Cr at 15:06:36 hrs. The internal filter was Rs.1. The offer was taken by the buyer.
- The matter was referred to DRC members, and the committee members agreed that the deal was erroneous and we may seek details of counterparty from RBI.
- RBI was approached to find out the counterparty names.
- When RBI disclosed the names of the counterparty, it was noticed that the counter party was a life insurance company
- As soon as the counterparty details were revealed, both the parties were advised to reverse the trade and settle the matter.
- Accordingly, on the next day 11th June 2015 the deal was reversed and reported on NDS - OM Reporting Deal Section.
- The dispute was resolved and settled. The loss/gain reversed is Rs.25 lakhs
- The resolution was informed to RBI and subsequently to DRC members.