

DRC 2015-16/14

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 07.59 GS 2026
on
15th March 2016



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

(Prepared by Rohan Sawant)

Procedure followed for settlement of off market trade in 07.59 GS 2026 on NDS-OM dated 15th March, 2016.

The details of actions taken for settlement are as under:

- On 15th March, 2016 FIMMDA was informed about the captioned transaction by the seller (a PSU Bank) and the buyer (a primary dealer) telephonically and subsequently via mail. The seller claimed that they have wrongly put an offer to sell the above G-Sec for Rs.10 Cr at Rs.98.20 instead of offering to sell 07.59 GS 2029 at that price. The buyer informed that he placed a bid to buy 07.59 GS 2026 at Rs.100 and got it at Rs.98.20. The transaction took place at 09:00:32 hrs.
- The above was the first trade in that security on 15th Mar, 2016. The last traded price/yield of the above security as on 14th Mar was Rs.99.92/7.5993%. The subsequent trade took place at Rs.100.20/7.5584% (09:01:19 hrs).
- The matter was referred to DRC members, and the committee members ruled that the deal was erroneous.
- The trade no. informed by both the seller and buyer was the same. Hence the counterparties were identified without going to RBI.
- As per the decision of DRC, the counterparties were advised to reverse the transaction.
- Accordingly, deal was reversed and reported on NDS - OM Reported Deal Section on same day i.e. 15th March, 2016.
- The off-market trade was thus reversed. The loss/gain reversed on Rs.10 Cr trade is Rs.2,000,000/-
- The dispute resolution was informed to RBI and DRC members as per code of conduct.

