

DRC 2015-16/01

DISPUTE RESOLUTION COMMITTEE

(27th May, 2015)

- Proceedings of erroneous deal in 08.20 GS 2025

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

(Prepared by Rohan Sawant)

Procedure followed for settlement of off market trade in 08.20 GS 2025 on NDS-OM dated 26th May, 2015.

The details of actions taken for settlement are as under:

- On 26th May, 2015 FIMMDA was informed by one counterparty a mutual fund institute telephonically and subsequently via mail, that they have sold 08.20% GS 2025 at price of Rs.100.5100/8.1234% for Rs.25 Cr at 15:35:09 hrs which is out of market, the last traded price as on 26th May, 2015 for the same paper was at Rs.101.5100/7.9800% at 15:34:59 hrs.
- 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 public sector bank.
- 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 27th May 2015 the deal was reversed and reported on NDS - OM Reporting Deal Platform settling on T+1 basis.
- The dispute was resolved and settled.
- The resolution was informed to RBI and subsequently to DRC members.