

DRC 2014-15/11

DISPUTE RESOLUTION COMMITTEE

(12th January, 2015)

- Proceedings of erroneous deal in 08.24 GS 2033

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

(Prepared by Kavita Shenoy)

Procedure followed for settlement of off market trade in 08.24% GS 2033 on NDS-OM dated 12th January, 2015.

The details of actions taken for settlement are as under:

- On 12th January, 2015 FIMMDA was informed by one counterparty telephonically and subsequently via mail, that they have bought 08.24% GS 2033 wrongly at price of Rs.103.80 (7.8484%) for Rs. 25 Cr at 10:43:10hrs. Whereas, the previous trades in the same paper were done at Rs.102.9/ 7.9388%.
- The matter was referred to DRC members, and the committee members agreed that the deal was erroneous and must seek details of counterparty from RBI.
- Thus, RBI was approached to find out the counterparty names.
- When RBI disclosed the names of the counterparty, it was noticed that both the parties involved were public sector banks.
- As soon as the counterparty details were revealed, both the parties were advised to reverse the trade and settle the matter.
- Accordingly, next day the same deal was reversed and reported on NDS - OM on T+0 basis.
- The dispute was resolved and settled.
- The resolution was informed to RBI and subsequently to DRC members.