

DRC 2014-15/07

DISPUTE RESOLUTION COMMITTEE

(05th September, 2014)

- Proceedings of erroneous deal in 08.30 GS 2042
(Reported Deal Section)

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

(Minutes prepared by Kavita Shenoy)

Discussion on an erroneous deal in 08.30 GS 2042 done on NDS - OM (Reported Deal Section).

FIMMDA observed an erroneous deal in 08.30 GS 2042 done on NDS-OM (Reported Deal) at a price and yield which were not in line with other trades in the same security.

The details of the deal and procedure followed are as under:

- It was noticed by FIMMDA that the captioned security was dealt at 16:28:00hrs at a price and yield of Rs.94.2800/8.8520, whereas remaining trades in the same security reported in NDS-OM were in a range of Rs.95.2200 - Rs.95.4100/8.7382 - 8.7572.
- The case was referred to the DRC, and the committee members agreed via mail that it was an erroneous deal and approved to seek details of the counterparties from RBI.
- Accordingly, FIMMDA approached RBI to find out the counterparty names.
- FIMMDA did not consider the captioned trade for the valuation purposes instead the LTP/LTY of the trade done at 15:09:00hrs was taken.
- FIMMDA was informed by RBI that the deal was between a Primary Dealer and its constituent (State Co-operative Bank).
- After receiving the counterparty names from RBI, the primary dealer was informed.
- We have been informed by the primary dealer that since the deal has the same SGL holders on both sides, the price difference has been adjusted in the books of both the parties and the case was resolved.
- The resolution was informed to RBI and DRC.