

PROCEEDINGS OF DISPUTE

(27th March, 2014)

- Discussion on Erroneous trade in 7.87% Kerela SDL 2016

DISPUTE RESOLUTION COMMITTEE

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

(Prepared by Vasundhara Khajuria)

Discussion on a trade of 7.87% Kerala SDL 2016 done on NDS-OM on March 26, 2014

The DRC was informed on March 26, 2014, to discuss an erroneous trade done on NDS OM.

The details of the deal and actions taken are as follows:

- A trade of 5 Crores in the captioned security was done on the March 26, 2014 at 13:00:50 on NDS-OM at 99.00/8.3856%.
- One of the counterparties - a Mutual Fund approached FIMMDA, to seek reversal of the trade stating that by mistake they 'took' the offer thinking the yield offered was 9.3856%.
- The case was referred to the DRC, and it was confirmed by the committee members that this was an erroneous trade and RBI should be approached to seek counterparty details.
- Thus, RBI was requested and the counterparty details were furnished. The two parties involved were: a Mutual Fund and a Co-operative Bank.
- The Counterparties were approached for reversal and both the parties agreed for the same and reversed on March 27, 2014.
- The dispute stands resolved.