

DRC 2014-15/04

**DISPUTE RESOLUTION COMMITTEE**

**(26<sup>th</sup> June, 2014)**

- Discussion on Inversion error in 09.37% GJ SDL 2023

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

(Minutes prepared by Kavita Shenoy)

**Discussion on an erroneous deal in 09.37% GJ SDL 2023 done on NDS - OM**

FIMMDA observed an offer in 09.37% GJ SDL 2023 offering the security at Rs. 8.9300 (yield instead of price) at an yield of 104.1097 (price instead of yield) for Rs.25 Crore.

The details of the deal and procedure followed:

- We were asked by market participants to take appropriate action in order to avoid erroneous trade.
- Accordingly, we requested RBI via mail to identify the offerer and caution them.
- Before we could receive a response, it was noticed that the offer was taken at the price of Rs.8.9300 and yield of 104.1097 for Rs.25 Crore at 10:37:16 hrs.
- DRC members confirmed via mail that it was clearly an erroneous deal, and counterparty details should be sought from RBI.
- Thus, RBI was requested and the counterparty details were furnished. The two parties involved were: a Public Sector Bank and an Insurance Company.
- The counterparties were approached by FIMMDA for reversal of erroneous trade outside the NDS-OM and report the same on the NDS-OM Reported Deal Section by day end.
- Both the parties mutually agreed for the same and the erroneous deal was reversed at 16:20:00 hrs.
- The dispute was resolved and the same was informed to RBI and subsequently to DRC.