

DRC 2015-16/11

**DISPUTE RESOLUTION COMMITTEE**

- Proceedings of erroneous deal in **08.17 GS 2044**  
on  
**18<sup>th</sup> December 2015**

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

(Prepared by Rohan Sawant)

**Procedure followed for settlement of off market NDS-OM trade in 08.17 GS 2044 on 18<sup>th</sup> December, 2015.**

The details of actions taken for settlement are as under:

- On 18<sup>th</sup> Dec, 2015 FIMMDA was informed by the seller (a mutual fund institute) telephonically and subsequently via mail, that they have sold 08.17 GS 2044 at price of 100.34/8.1386% for Rs.10 Cr at 15:25:29 hrs which was out of market.
- The last traded price/yield of the above security as on 18<sup>th</sup> Dec was Rs.101.25/8.0572%. The seller claimed that he wrongly put an offer to sell the above G-Sec for Rs.10 Cr at Rs.100.34 instead of Rs.101.34, which was taken.
- The matter was referred to DRC members, and the committee members agreed that the deal was erroneous and FIMMDA may seek details of counterparty from RBI.
- As per code of conduct RBI was approached to find out the counterparty name.
- When RBI disclosed the names of the counterparty, it was noticed that the counter party was another mutual fund institution.
- As soon as the counterparty details were revealed, both the parties were advised to reverse the trades.
- Accordingly, on the next trading day i.e 21<sup>st</sup> Dec, 2015 the deal were reversed and reported on NDS – OM Reported Deal Section.
- The off-market trades were thus reversed. The loss/gain reversed on Rs.10 Cr trade was Rs.10,00,000/-
- The reversal was informed to RBI and DRC members as per code of conduct.