

DRC 2016-17/22

**DISPUTE RESOLUTION COMMITTEE**

- Proceedings of erroneous deal in 7.59 GS 2026  
on  
20<sup>th</sup> January 2017



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

(Prepared by Rohan Sawant)

**Procedure followed for settlement of off market trade in 7.59 GS 2026 on NDS-OM dated 20<sup>th</sup> January 2017**

The details of actions taken for settlement are as under:

- On 20<sup>th</sup> January, 2017 FIMMDA was informed of an erroneous deal by two buyers (a foreign bank and a primary dealer) telephonically and subsequently via mail. The buyer (a foreign bank) bought 7.59 GS 2026 at price of Rs.107.05/6.5379 for Rs.10 Crs each between 09:00:23 hrs to 09:00:48 hrs (10 trades) and another buyer (a primary dealer) bought at price of Rs.107.10/6.5308 for Rs.10 Crs at 09:00:38 hrs. Total 11 trades took place for Rs.110 Crs which were claimed to be out of market.
- This were the first 11 trades in captioned security. Subsequent trade took place at 09:01:30 hrs for Rs.106.57. Last traded price as on 19<sup>th</sup> Jan 2017 was Rs.106.50/6.6175. The buyer (a foreign bank) claimed that he wrongly bought the 7.59 GS 2026 security instead of 7.61 GS 2030 at the price of Rs.107.05 for Rs.100 Crs. Another buyer (a primary dealer) bought the security for Rs.107.10 for Rs.10 Crs instead of Rs.106.10
- The matter was referred to DRC members, and the committee members disagreed that the deals were erroneous.
- The same was informed to the buyers (a foreign bank and a primary dealer). That is the above trades are to be considered as normal trade & are not fit for reversal.

