

DRC 2016-17/03

**DISPUTE RESOLUTION COMMITTEE**

- Proceedings of erroneous deal in 08.24 GS 2033  
on  
20<sup>th</sup> May 2016

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

(Prepared by Rohan Sawant)



A handwritten signature in blue ink, appearing to be "Rohan Sawant".



FIMMDA: Dispute Resolution Committee

Procedure followed for settlement of off market trade in 08.24 GS 2033 on NDS-OM dated 20<sup>th</sup> May, 2016.

The details of actions taken for settlement are as under:

- On 20<sup>th</sup> May, 2016 FIMMDA was informed by the buyer (a private insurance institution) telephonically and subsequently via mail, that they have bought 8.24 GS 2033 at price of Rs.104.30/7.7849% for Rs.10 Cr at 10:12:37 hrs which was out of market.
- The above was the first trade in the captioned security. The last traded price in same security as on 19<sup>th</sup> May took place at Rs.103.50/7.8676%. The seller claimed that he wrongly bought the security at the price Rs.104.30 for Rs.10 Cr instead of Rs.103.30
- 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 know the counterparty.
- When RBI disclosed the name of the counterparty, as a private mutual fund institute.
- Both the parties were advised to reverse the trade.
- Accordingly, on 23<sup>rd</sup> May 2016 the trade was reversed and reported on NDS - OM Reporting Deal Section on T+1 basis.
- The off-market trade was thus reversed. The loss/gain reversed is Rs.10,00,000/-
- The reversal was informed to RBI and DRC members.

