

DRC 2016-17/02

**DISPUTE RESOLUTION COMMITTEE**

- Proceedings of erroneous deal in 08.17 GS 2044  
on  
6<sup>th</sup> May 2016



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

(Prepared by Rohan Sawant)

**Procedure followed for settlement of off market trade in 08.17 GS 2044 on NDS-OM dated 6<sup>th</sup> May, 2016.**

The details of actions taken for settlement are as under:

- On 6<sup>th</sup> May, 2016 FIMMDA was informed by the seller (a mutual fund institution) telephonically and subsequently via mail, that they have sold 8.17 GS 2044 at price of Rs.102.45/7.9509% for Rs.5 Cr at 16:58:33 hrs which was out of market.
- Previous trade in same security took place at Rs.103.40/7.8685% at 16:57:02 hrs. The last trade in same security took place at Rs.103.45/7.8642% at 17:00:00 hrs. The seller claimed that he wrongly sold the security at the price Rs.102.45 for Rs.5 Cr instead of Rs.103.45
- 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, it was noticed that the counterparty was a public sector bank.
- Both the parties were advised to reverse the trade.
- Accordingly, on 11th May 2016 the trade was reversed and reported on NDS - OM Reporting Deal Section.
- The off-market trade was thus reversed. The loss/gain reserved is Rs.500,000/-
- The reversal was informed to RBI and DRC members as per code of conduct.

