

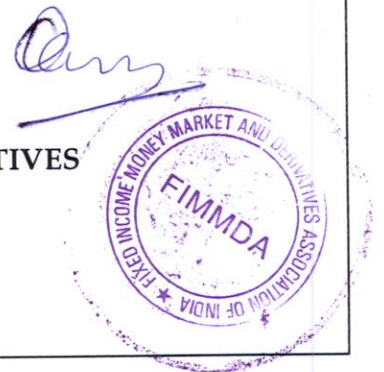
DRC 2016-17/13

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 08.13 GS 2045
on
21st October 2016

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

(Prepared by Rohan Sawant)





FIMMDA: Dispute Resolution Committee

Procedure followed for settlement of off market trade in 08.13 GS 2045 on NDS-OM dated 21st October, 2016.

The details of actions taken for settlement are as under:

- On 21st October, 2016 FIMMDA was informed by the seller (a public sector bank) telephonically and subsequently via mail, that they have sold 8.13 GS 2045 at price of Rs.110.50/7.2535% for Rs.15 Cr at 09:43:51 hrs which was out of market.
- The above was the first trade in the captioned security. Subsequent trade took place at 9:48:08 hrs for Rs.111.45/7.1810% and then at 09:55:01 hrs for Rs.111.40/7.1848%. The last traded price as on 20th Oct,2016 was Rs.111.45/7.1848%. The seller claimed that he wrongly sold the security at the price Rs.110.50 for Rs.15 Cr instead of Rs.111.50.
- 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.
- RBI disclosed the name of the counterparty as a mutual fund institution.
- Both the parties were advised to reverse the trade.
- Accordingly, on same day 21st October, 2016 the trade was reversed and reported on NDS - OM Reporting Deal Section.
- The off-market trade was thus reversed. The loss/gain reversed is Rs.15 lakhs/-
- The reversal was informed to RBI and DRC members.