

DRC 2017-18/05

**DISPUTE RESOLUTION COMMITTEE**

- Proceedings of erroneous deal in 8.24 GS 2033  
on  
24<sup>th</sup> July 2017



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

(Prepared by Rohan Sawant)

**Procedure followed for settlement of off market trade in 8.24 GS 2033 on NDS-OM dated 24<sup>th</sup> July, 2017**

The details of actions taken for resolution and settlement are as under:

- On 24<sup>th</sup> July, 2017 FIMMDA was informed of an erroneous deal by the seller (a foreign bank) telephonically and subsequently via mail. The seller sold 8.24 GS 2033 at price of Rs.110.35/7.1523% for Rs.10 Cr at 09:28:15 hrs which was claimed to be out of market.
- The above was the first trade in captioned security. Last traded price as on 21<sup>st</sup> July 2017 was Rs.111.00/7.0891%. Succeeding trade took place at 09:48:36 hrs for Rs.5 Crs at Rs.111.25/7.0648%. The seller claimed that he wrongly sold the security at the price of Rs.110.35 for Rs.10 Cr instead of at Rs.111.35.
- 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 primary dealer.
- Both the parties were advised to reverse the trade.
- Accordingly, on next day 25<sup>th</sup> July, 2017 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.9,00,000/-
- The reversal was informed to RBI and DRC members.

DRC 2017-18/06

**DISPUTE RESOLUTION COMMITTEE**

- Proceedings of erroneous deal in 8.40 GS 2024  
on  
28<sup>th</sup> July 2017



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

(Prepared by Rohan Sawant)

**Procedure followed for settlement of off market trade in 8.40 GS 2024 on NDS-OM dated 28<sup>th</sup> July, 2017**

The details of actions taken for resolution and settlement are as under:

- On 28<sup>th</sup> July, 2017 FIMMDA was informed of an erroneous deal by the seller (a insurance company) telephonically and subsequently via mail. The seller sold 8.40 GS 2024 at price of Rs.107.61/7.0051% for Rs.25 Cr at 09:26:31 hrs which was claimed to be out of market.
- Preceding trade took place at 09:20:59 hrs for Rs.108.59/6.8344%. Succeeding trade took place at 10:13:38 hrs for Rs.5 Crs at Rs.108.60/6.8327%. The seller claimed that he wrongly sold the security at the price of Rs.107.61 for Rs.25 Cr instead of at Rs.108.61.
- 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 public sector bank.
- Both the parties were advised to reverse the trade.
- Accordingly, on same day 28<sup>th</sup> July, 2017 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.25,00,000/-
- The reversal was informed to RBI and DRC members.