

DRC 2017-18/05

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 8.24 GS 2033
on
24th 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 24th July, 2017

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

- On 24th 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 21st 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 25th 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
28th 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 28th July, 2017

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

- On 28th 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 28th 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.

