

DRC 2016-17/16

**DISPUTE RESOLUTION COMMITTEE**

- Proceedings of erroneous deal in 08.12 GS 2020  
on  
23<sup>rd</sup> November 2016



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

(Prepared by Rohan Sawant)

Procedure followed for settlement of off market trade in 08.12 GS 2020 on NDS-OM dated 23<sup>rd</sup> November, 2016.

The details of actions taken for settlement are as under:

- On 23<sup>rd</sup> November, 2016 FIMMDA was informed by the seller (a private sector bank) telephonically and subsequently via mail, that they have sold 8.12 GS 2020 at price of Rs.105.8000/6.4658 for total of Rs.30 Cr at 10:07:52, 10:07:56, 10:07:57 hrs which was out of market.
- Subsequent trade took place at 10:08:41 hrs for Rs.106.50/6.2739% and preceding trade took place at 10:07:41 hrs for Rs.106.57/6.6.2548%. The seller claimed that he wrongly sold the security at the price Rs.105.80 for Rs.30 Crs instead of Rs. 106.80.
- 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 counterparties, one was a foreign bank for Rs10 Cr another was a public sector bank for Rs.5 Cr and a mutual fund institute for Rs.15 Cr.
- All the parties were advised to reverse the trade.
- Accordingly, on same day 23<sup>rd</sup> November, 2016 all the trades was reversed and reported on NDS - OM Reporting Deal Section.
- The off-market trade was thus reversed. The loss/gain reversed is Rs.30,00,000/-
- The reversal was informed to RBI and DRC members.

DRC 2016-17/17

**DISPUTE RESOLUTION COMMITTEE**

- Proceedings of erroneous deal in 07.73 GS 2034  
on  
24<sup>th</sup> November 2016



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

(Prepared by Rohan Sawant)

**Procedure followed for settlement of off market trade in 07.73 GS 2034 on NDS-OM dated 24<sup>th</sup> November, 2016.**

The details of actions taken for settlement are as under:

- On 24<sup>th</sup> November, 2016 FIMMDA was informed by the buyer (a life insurance company) telephonically and subsequently via mail, that they have bought 8.12 GS 2020 at price of Rs.112.5/6.54 for of Rs.10 Cr at 14:16:58 hrs which was out of market.
- Subsequent trade took place at 14:42:47 hrs for Rs.111.8/6.6015% and preceding trade took place at 14:15:02 hrs for Rs.111.8/6.6015%. The buyer claimed that he wrongly bought the security at the price Rs.112.50 for Rs.10 Crs 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 counterparties as a foreign bank.
- Both the parties were advised to reverse the trade.
- Accordingly, on next day 25<sup>th</sup> November, 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.7,00,000/-
- The reversal was informed to RBI and DRC members.