

DRC 2016-17/14

**DISPUTE RESOLUTION COMMITTEE**

- Proceedings of erroneous deal in 08.15 GS 2026  
on  
8<sup>th</sup> November 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 08.15 GS 2026 on NDS-OM dated 8<sup>th</sup> November, 2016.

The details of actions taken for settlement are as under:

- On 8<sup>th</sup> November, 2016 FIMMDA was informed by the seller (a public sector bank) telephonically and subsequently via mail, that they have sold 8.15 GS 2026 at price of Rs.106.75/7.1937% for Rs.10 Cr at 15:32:31 hrs which was out of market.
- Subsequent trade took place at 15:41:38 hrs for Rs.107.4975/7.0928% and preceding trade took place at 15:30:49 hrs for Rs.107.4500/7.0992%. The seller claimed that he wrongly sold the security at the price Rs.106.75 for Rs.10 Cr instead of Rs.107.65.
- 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 private insurance institution.
- Both the parties were advised to reverse the trade.
- Accordingly, on next day 9<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.7,47,500/-
- The reversal was informed to RBI and DRC members.

DRC 2016-17/15

**DISPUTE RESOLUTION COMMITTEE**

- Proceedings of erroneous deal in 07.80 GS 2021  
on  
9<sup>th</sup> November 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 07.80 GS 2021 on NDS-OM dated 9<sup>th</sup> November, 2016.

The details of actions taken for settlement are as under:

- On 9<sup>th</sup> November, 2016 FIMMDA was informed by the buyer (a private sector bank) telephonically and subsequently via mail, that they have bought 7.80 GS 2021 at price of Rs.105.4000/6.3765 for Rs.5 Cr at 09:43:34 hrs which was out of market.
- Subsequent and preceding trade took place at 09:50:42 hrs and 09:43:25 hrs respectively for Rs.104.65/6.5684%. The seller claimed that he wrongly bought the security at the price Rs.105.40 for Rs.5 Cr.
- 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 next day 10<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.3,75,000/-
- The reversal was informed to RBI and DRC members.