

DRC 2015-16/07

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in **07.68 GS 2023**
on
5th August 2015

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

(Prepared by Rohan Sawant)

Procedure followed for settlement of off market OTC trade in 07.68 GS 2023 on 5th August, 2015.

The details of actions taken for settlement are as under:

- On 5th Aug, 2015 FIMMDA was informed by the seller (a co-operative bank) followed by buyer (a private bank) telephonically and subsequently via mail about an erroneous OTC trade in 07.68 GS 2023 FOR Rs10 Crs reported on NDS-OM at 12:40:00 hrs. The last traded price/yield for the same security on 5th Aug, 2015 was 98.2500/7.9682 at 12:13:51 hrs.
- As per code of conduct RBI was approached to confirm the counterparties of OTC trades.
- When RBI disclosed the names of the counterparties, it was confirmed that the seller and buyer who referred the erroneous trade to DRC were the actual counterparties to the trade.
- Both the parties were allowed to reverse the trade.
- Accordingly, on the next trading day i.e. 6th Aug, 2015 the deal was reversed and reported on NDS – OM Reporting Deal Section settling on T+0 basis.
- The off-market trade was thus reversed. The loss/gain reserved on Rs.10 Cr trade is Rs.10,22,500/-
- The reversal was informed to RBI and DRC members as per code of conduct.