

DRC 2015-16/06

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in **07.80 GS 2020**
on
5th Aug 2015

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

(Prepared by Rohan Sawant)

Procedure followed for settlement of off market trade in 07.80 GS 2020 on NDS-OM on 5th August, 2015.

The details of actions taken for settlement are as under:

- On 5th August, 2015 FIMMDA was informed by the buyer (a foreign bank) telephonically and subsequently via mail, that they have bought 07.80 GS 2020 at price of 99.9100/7.8183% for Rs.10 Cr at 09:20:05 hrs which was out of market.
- The above was the first trade in that security on 5th Aug 2015. The last traded price/yield for the same security as on 4th Aug 2015 was 99.1100/ 8.0243%. The buyer, wrongly put an offer to buy the above G-Sec for Rs.10 Cr at Rs.99.9100 instead of Rs.98.9100, which was triggered.
- The matter was referred to DRC members, and the committee members agreed that the deal was erroneous and we may seek details of counterparty from RBI.
- As per code of conduct RBI was approached to find out the counterparty name.
- When RBI disclosed the names of the counterparty, it was noticed that the counter party was a broking company
- As soon as the counterparty details were revealed, both the parties were advised to reverse the trade and settle the matter.
- Accordingly, on the same trading day the deal was reversed and reported on NDS - OM Reporting Deal Section.
- The dispute was resolved and settled. The loss/gain reversed is Rs.7,70,000/-
- The reversal was informed to RBI and DRC members as per code of conduct.