

DRC 2016-17/11

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 07.72 GS 2025
on
14th September 2016



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

(Prepared by Rohan Sawant)

Procedure followed for settlement of off market trade in 07.72 GS 2025 on NDS-OM dated 14th September, 2016.

The details of actions taken for settlement are as under:

- On 14th September, 2016 FIMMDA was informed by the seller (a mutual fund institute) telephonically and subsequently via mail, that they have sold 7.72 GS 2025 at price of Rs.102.89/7.2633% for Rs.10 Cr at 09:03:03 hrs which was out of market.
- The above was the first trade in the captioned security. Subsequent trade took place at 9:03:39 hrs for Rs.103.26/7.2063% and then at 09:11:42 hrs for Rs.103.65. The last traded price as on 12th Sep, 2016 was Rs.103.7525/7.1311%. The seller claimed that he wrongly sold the security at the price Rs.102.89 for Rs.10 Cr instead of Rs.103.89.
- 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 next day 15th September, 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.8,60,000/-
- The reversal was informed to RBI and DRC members.