

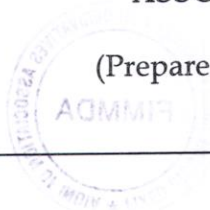
DRC 2015-16/13

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 07.59 GS 2026
on
5th Feb 2016

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

(Prepared by Rohan Sawant)



Procedure followed for settlement of off market trade in 07.59 GS 2026 on NDS-OM dated 05th February, 2016.

The details of actions taken for settlement are as under:

- On 5th February, 2016 FIMMDA was informed by the seller (a private investment firm) telephonically and subsequently via mail, that they have sold 07.59 GS 2026 at price of Rs.98.69/7.7805% for Rs.15 Cr at 09:00:31 hrs which was out of the market.
- The above was the first trade in that security on 5th Feb, 2016. The last traded price/yield of the above security as on 4th Feb was Rs.99.1425/7.7140%. The subsequent trade took place at Rs.99.34/7.6849% (09:01:11 hrs). The seller claimed that he wrongly put an offer to sell the above G-Sec for Rs.15 Cr at Rs.98.5900 instead of the intended Rs.99.5900.
- 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 find out the counterparty name.
- When RBI disclosed the names of the counterparty, it was noticed that the counterparty was a primary dealer (DRC Member).
- As soon as the counterparty details were revealed, both the parties were advised to reverse the trade.
- Accordingly, deal was reversed and reported on NDS - OM Reported Deal Section on 9th Feb, 2016 at T+1 basis.
- The off-market trade was thus reversed. The loss/gain reversed on Rs.15 Cr trade is Rs.13,50,000 /-
- The reversal was informed to RBI and DRC members as per code of conduct.

