

DRC 2016-17/15

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in **07.80 GS 2021**
on
9th November 2016

**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 2021 on NDS-OM dated 9th November, 2016.

The details of actions taken for settlement are as under:

- On 9th 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 10th 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.