

DRC 2016-17/05

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 07.68 GS 2023
on
23rd June 2016



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

(Prepared by Rohan Sawant)

Procedure followed for settlement of off market trade in 07.68 GS 2023 on NDS-OM dated 23rd June, 2016.

The details of actions taken for settlement are as under:

- On 23rd June, 2016 FIMMDA was informed by the seller (a foreign bank) telephonically and subsequently via mail, that they have sold 7.68 GS 2023 at price of Rs.99.59/7.7527% for Rs.5 Cr at 09:01:55 hrs which was out of market.
- The above was the first trade in the captioned security. The last traded price in same security as on 22nd June was Rs.100.58/7.5764%. Subsequent trade took place at 09:17:42 hrs for price of 100.5550/7.5808%. The seller claimed that he wrongly sold the security at the price Rs.99.59 for Rs.5 Cr instead of Rs.100.59
- 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 private mutual fund.
- Both the parties were advised to reverse the trade.
- Accordingly, on same day 23rd June 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.500,000 /-
- The reversal was informed to RBI and DRC members.



DRC 2016-17/06

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 08.24 GS 2027
on
27th June 2016



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

(Prepared by Rohan Sawant)

Procedure followed for settlement of off market trade in 08.24 GS 2027 on NDS-OM dated 27th June, 2016.

The details of actions taken for settlement are as under:

- On 27th June, 2016 FIMMDA was informed by the buyer (a private insurance company) telephonically and subsequently via mail, that they have bought 8.24 GS 2027 at price of Rs.104.44/7.6210% for Rs.5 Cr at 09:05:45 hrs which was out of market.
- The above was the first trade in the captioned security. The last traded price in same security as on 24th June was Rs.103.45/7.7555%. Subsequent trade took place at 11:18:06 hrs for price of 103.65/7.7282%. The buyer claimed that he wrongly bought the security at the price Rs.104.44 for Rs.5 Cr instead of Rs.103.44
- 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 co-operative bank.
- Both the parties were advised to reverse the trade.
- Accordingly, on same day 23rd June 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.500,000 /-
- The reversal was informed to RBI and DRC members.

