

DRC 2017-18/12

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 08.13 GS 2045
on
3rd January 2018



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

(Prepared by Rohan Sawant)

Procedure followed for settlement of dispute in respect of off market trades in 8.13 GS 2045 on NDS-OM dated 3rd January, 2018

The details of actions taken for settlement of dispute are as under:

- On 3rd January, 2018 FIMMDA was informed of four erroneous deals by the seller (mutual fund institution) telephonically and subsequently via mail. The seller sold 8.13 GS 2045 at price of Rs.103.75/7.7964 for Rs.25 Cr at 09:28:49 hrs and for Rs.103.40/7.8267 for Rs.10 Cr, Rs.10 Cr and for Rs.5 Cr at 09:28:59 hrs, 09:29:04 hrs and 09:29:08 hrs. Total 4 trades of Rs.50 Cr were claimed to be out of market.
- The above were first four trades in the captioned security. Succeeding trade took place at Rs.104.20/7.7578 at 10:00:38 hrs. The seller claimed that he wrongly put an offer to sell Rs.50 Cr at Rs.103.40 instead of Rs.104.40 which resulted in 4 trades as mentioned above.
- The matter was referred to 14 DRC members, the quorum being 6. Eight members disagreed that the deal was erroneous looking at the current market volatility. Nobody informed contrary decision.
- The same was informed to the seller (a mutual fund institution). That is, the above trades were to be considered as normal trades & are not fit for reversal.



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