

DRC 2016-17/21

**DISPUTE RESOLUTION COMMITTEE**

- Proceedings of erroneous deal in 7.88 GS 2030  
on  
18<sup>th</sup> January 2017



**Procedure followed for settlement of off market trade in 7.88 GS 2030 on NDS-OM dated 18<sup>th</sup> January 2017**

The details of actions taken for settlement are as under:

- On 18<sup>th</sup> January, 2017 FIMMDA was informed of an erroneous deal by the seller (a financial institute) and the buyer (a public sector bank) telephonically and subsequently via mail. The seller sold 7.88 GS 2030 at price of Rs.107.58/6.9883 for Rs.5 Cr at 09:11:59 hrs which was claimed to be out of market.
- The above was the first trade in the security. Subsequent trade took place at 09:12:21 hrs for Rs.108.00/6.9415. Last traded price as of 17<sup>th</sup> Jan 2017 was Rs.108.5/6.8862%. The seller claimed that he wrongly sold the security at the price of Rs.107.58 for Rs.5 Cr instead of at Rs.108.58.
- The buyer also agreed in his mail to FIMMDA that it was an erroneous deal. The time and transaction number of the erroneous trade reported by seller and buyer were matched.
- The matter was referred to DRC members, and the committee members agreed that the deal was erroneous and may be reversed.
- As per Code of Conduct (DRC) point 15. (e), since buyer and seller approached FIMMDA and DRC members agreed that the deal was erroneous and to be reversed, both the parties were advised to reverse the trade.
- Accordingly, on next day 19<sup>th</sup> Jan, 2017 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.4,60,00/-
- The reversal was informed to RBI and DRC members.

