

DRC 2017-18/09

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 7.73 WB SDL 2032
on
8th December 2017



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

(Prepared by Rohan Sawant)

Procedure followed for settlement of off market trade in 7.73 WB SDL 2032 on NDS-OM dated 8th December, 2017

The details of actions taken for settlement are as under:

- On 8th December, 2017 FIMMDA was informed of an erroneous deal by the seller and the buyer (both primary dealers) telephonically and subsequently via mail. The buyer bought 7.73 WB SDL 2032 at price of Rs.102.52/7.4461 for Rs.5 Cr at 10:32:36 hrs which was claimed to be out of market.
- Preceding trade took place at 10:32:14 hrs for price of Rs.100.95/7.6211. The buyer claimed that he wrongly bid the security at the price of Rs.102.52 for Rs.5 Cr instead of bidding for 8.21 HR Uday 2024. The seller offered to sell the captioned security at Rs.100.95, but as the bid was available at Rs.102.52 the trade got executed.
- The seller (gaining party) 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 matching.
- The matter was referred to 13 DRC members, the quorum being 6. Eight members agreed that the deal was erroneous and may be reversed. Nobody informed contrary decision.
- 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 same day 8th December, 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.7,85,000/-
- The reversal was informed to RBI and DRC members.

