

DRC 2018-19/16

DISPUTE RESOLUTION COMMITTEE

Proceedings of erroneous deal in on 091 DTB 10012019
14th Dec 2018



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

(Prepared by Ramandeep Kaur)

Procedure followed for settlement of off market trade in 091 DTB 10012019 on NDS-OM Odd Lot dated 14th Dec 2018

The details of actions taken for settlement are as under:

- On 14th Dec 2018 FIMMDA was informed of an erroneous deal by the seller (Private Sector Bank) telephonically and subsequently via mail. The seller sold 091 DTB 10012019 at 7.54%/99.5067 for Rs.4,6890 Cr at 14:31:52 hrs. which was claimed to be out of market.
- This disputed trade was the first trade of the day. Previous trade took place on 13th Dec 2018 at 6.6025%/99.5140. The seller claimed that he wrongly sold the captioned security at a yield of 7.54%/99.5067 instead of 6.54%/99.5718.
- The matter was referred to 14 DRC members, the quorum being 6. Nine members agreed that the deal was erroneous and may be reversed. Nobody gave contrary decision.
- As per code of conduct, RBI was approached to know the counterparty.
- RBI disclosed the name of the counterparty as Foreign Bank.
- Both the parties were advised to reverse the trade.
- As one of the counterparties did not have the underlying stock to reverse the trade they settled the trade in Cash at mutually agreed price as per DRC Clause.
- The loss/gain reversed is Rs.27149/-
- The reversal was informed to RBI and DRC members.

