

DRC 2017-18/11

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 08.60 GS 2028
on
22nd December 2017



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

(Prepared by Rohan Sawant)

Procedure followed for settlement of off market trade in 8.60 GS 2028 on NDS-OM dated 22nd December, 2017

The details of actions taken for settlement are as under:

- On 22nd December, 2017 FIMMDA was informed of an erroneous deal by the seller (financial institution) telephonically and subsequently via mail. The seller sold 8.60 GS 2028 at price of Rs.107.00/7.6143 for Rs.10 Cr at 12:36:47 hrs which was claimed to be out of market.
- Preceding trade took place at Rs.108/7.4806. The seller claimed that he wrongly sold the security at the price of Rs.107.00 for Rs.10 Cr instead of at Rs.108.
- The matter was referred to 14 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, RBI was approached to know the counterparty.
- RBI disclosed the name of the counterparty as a public sector bank.
- Both the parties were advised to reverse the trade.
- Accordingly, on 26th 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.11,00,000/-
- The reversal was informed to RBI and DRC members.

