

DRC 2018-19/10

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 364 DTB 15082019
On
14th Aug 2018



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

(Prepared by Ramandeep Kaur)

Procedure followed for settlement of off market trade in 364 DTB 15082019 on NDS-OM dated 14th Aug 2018

The details of actions taken for settlement are as under:

- On 14th Aug, 2018 FIMMDA was informed of an erroneous deal by the buyer (Payment Bank) telephonically and subsequently via mail. The buyer bought 364 DTB 15082019 at yield of Rs.6.29/94.0975 for Rs.5 Cr at 14:48:47 hrs. which was claimed to be out of market.
- Disputed trade is the first trade in captioned security. Succeeding trade took place at 16:25:38 hrs. For Rs.93,2227/7.29. The buyer claimed that he wrongly bought the security at the yield of 6.29 for Rs.5 Cr instead of at 7.29.
- 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 a Public Sector Bank.
- Both the parties were advised to reverse the trade.
- Accordingly, on 16th Aug 2018, 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.4,37,400/-
- The reversal was informed to RBI and DRC members.