

DRC 2017-18/13

DISPUTE RESOLUTION COMMITTEE

- Proceedings of erroneous deal in 07.72 GS 2025
on
17th January 2018



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

(Prepared by Rohan Sawant)

Procedure followed for settlement of dispute in respect of off market trades in 7.72 GS 2025 on NDS-OM dated 17th January, 2018

The details of actions taken for settlement of dispute are as under:

- On 17th January, 2018 FIMMDA was informed of an erroneous deal by the seller (mutual fund institution) telephonically and subsequently via mail. The seller sold 7.72 GS 2025 at price of Rs.100.51/7.6254 for Rs.10 Cr at 09:30:50 hrs which was claimed to be out of market.
- Preceding and succeeding trades took place at Rs.101.20/7.5021%. The seller claimed that he wrongly sold the security at the price of Rs.100.51 for Rs.10 Cr instead of at Rs.101.51
- The matter was referred to 14 DRC members, the quorum being 6. Ten 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 financial institution.
- Both the parties were advised to reverse the trade.
- Accordingly, on 18th January, 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.6,90,000/-
- The reversal was informed to RBI and DRC members.