

DRC 2017-18/15

**DISPUTE RESOLUTION COMMITTEE**

- Proceedings of erroneous deal in 06.68 GS 2031  
on  
19<sup>th</sup> 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 trade in 6.68 GS 2031 on NDS-OM dated 19<sup>th</sup> January, 2018**

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

- On 17<sup>th</sup> January, 2018 FIMMDA was informed of an erroneous deal by the buyer (financial institution) telephonically and subsequently via mail. The buyer bought 6.68 GS 2031 at price of Rs.93.35/7.4634 for Rs.5 Cr at 09:00:25 hrs which was claimed to be out of market.
- Disputed trade was the first trade in captioned security. Succeeding trade took place at 09:02:04 hrs for Rs.92.42/7.5791. Last traded price as of 18th Jan 2018 was Rs.92.48/7.5712. The buyer claimed that he wrongly bought the security at the price of Rs.93.35 for Rs.5 Cr instead of at Rs.92.35
- The matter was referred to 14 DRC members, the quorum being 6. Seven 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 primary dealer.
- Both the parties were advised to reverse the trade.
- Accordingly, on 22<sup>nd</sup> 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.4,65,000/-
- The reversal was informed to RBI and DRC members.